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ABSTRACT

Connecticut's Jobs First program, which began operating in January 1996, combines a time limit on welfare receipt with generous financial work incentives and requires recipients to participate in employment-related services targeted toward rapid job placement. The impacts of the Jobs First program were examined by following several thousand welfare applicants and recipients who were randomly assigned to one of the following two groups in January 1996-February 1997: the Jobs First group (whose members were subject to the state's new welfare reform policies) and the Aid to Families with Dependent Children group (whose members were subject to prior welfare rules). Members of both groups were followed for up to 2.5 years. The following were among the major findings: (1) although the main features of Jobs First were successfully put in place in the research sites, the program has not been implemented very intensively; (2) of those Jobs First group members who reached their time limit, approximately half received extensions; and (3) Jobs First increased employment rates and earnings throughout the follow-up period. (Fifty-five tables/figures/boxes are included. Appended are the following: descriptions of related Connecticut welfare reform studies; discussion of sample issues; and eight additional impact tables. The bibliography contains 20 references.) (MN)

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JOBS FIRST

Implementation and Early Impacts of Connecticut's Welfare Reform Initiative

Dan Bloom
Laura Melton
Charles Michalopoulos
Susan Scrivener
Johanna Walter

MDRC

March 2000

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President
Manpower Demonstration Research Corporation

MDRC

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Manpower Demonstration Research Corporation

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Preface

This is MDRC's third report on Connecticut's statewide welfare reform initiative, Jobs First, and the first to include information on the program's impacts — that is, the difference Jobs First makes relative to the welfare system that preceded it. MDRC is conducting this assessment in a rigorous way by tracking the experiences of several thousand families, half of whom were randomly assigned to Jobs First and half of whom remain subject to the prior welfare rules.

As states' approaches to welfare have grown more divergent in this era of devolution, there is a temptation to apply simple labels to characterize the states' models — labels such as "tough" or "generous." But Jobs First's distinctive design illustrates why many state welfare programs defy easy categorization. Connecticut has imposed the nation's shortest lifetime time limit on cash assistance receipt — 21 months — but it also offers perhaps the most generous financial work incentives to reward recipients who find jobs. Moreover, as discussed in the report, many of the recipients who are unable to find jobs are granted extensions when they reach the time limit.

The story of Jobs First's impacts is generally positive so far. The program has increased employment rates and earnings — particularly for the least job-ready welfare recipients. As expected, it increased welfare receipt and spending at first, because recipients were allowed to keep their welfare checks after going to work. Once families began to reach the time limit, however, this pattern changed: Near the end of the report's follow-up period, families subject to Jobs First received less welfare than those subject to the old system. But it is too early to draw any final conclusions. Longer follow-up, and detailed information on Jobs First's impacts for children, will be included in later reports.

We are deeply grateful to the Connecticut Department of Social Services for their willingness to subject their program to intense scrutiny and to the U.S. Department of Health and Human Services, the Ford Foundation, and the Smith Richardson Foundation for providing funding for the evaluation. The study was initially required as a condition of federal waivers, but the state chose to continue it after the 1996 federal welfare law took effect. Because of the strong commitment of the state and these other funders, the evaluation is able to provide unusually detailed, reliable information on the program's implementation and impacts — information that we hope will benefit both Connecticut and other states facing similar challenges.

Judith M. Gueron
President

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The Department of Social Services (DSS), led by Commissioner Patricia A. Wilson-Coker, has consistently supported the study since its inception. Staff in the DSS regional offices in Manchester and New Haven have diligently implemented the research procedures necessary to make the experiment work, and have candidly discussed their experiences during field research visits. Space does not permit us to mention all of the people who have contributed to the evaluation, but special thanks are due Beverly Miller and Nancy Torchio-Zembko (Manchester) and Robert Lucash, Carol Quinn, Mark Schwartz, Alice Ellovich, and Richard Sebastian (New Haven).

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Carol Huckaby, along with managers and staff in the local Connecticut Council of Family Service Agencies member agencies, provided valuable information on the Safety Net and Individual Performance Contract (IPC) programs.

The study also benefited from the indispensable support of the U.S. Department of Health and Human Services.

At MDRC, Barbara Goldman has provided overall guidance for the study. Judith Gueron, Gordon Berlin, David Butler, and Cynthia Miller offered thoughtful comments on report drafts.

Joel Gordon coordinated the acquisition of administrative records. Galina Farberova and Ngan Lee, working under the direction of Debra Romm, developed and managed the systems for processing the data. Joyce Dees, Donna George, Marguerite Payne, and Carmen Troche, with supervision from Shirley James, fielded thousands of random assignment telephone calls, processed baseline forms, and obtained data to support the Interim Survey.

Frank Tsai was a key programmer for the impact analysis. Kate Gualtieri and Adrienne Rumble assisted with field research and led the analysis of time-limit outcomes. Lynn Moulton conducted post-time limit interviews. Rachel Hitch assisted with data collection.

Jordan Kolovson, working under the direction of Greg Hoerz, was the primary liaison with the survey firm, Roper Starch Worldwide (RSW), and prepared the Interim Survey data for analysis. Lee Robeson directed the project for RSW.

Reishma Seupersad, assisted by Bryan Ricchetti and Nikita Hunter, served as report coordinator and led the fact-checking. Sylvia Newman edited the report, and Stephanie Cowell did the word processing.

The Authors

Executive Summary

Connecticut's Jobs First program is a statewide welfare reform initiative that began operating in January 1996. Jobs First was one of the earliest statewide programs to impose a time limit on welfare receipt: Families are limited to 21 months of cash assistance unless they receive an exemption or extension. The program also includes generous financial work incentives and requires recipients to participate in employment-related services targeted toward rapid job placement. Jobs First was initiated under waivers of federal welfare rules that were granted before the passage of the 1996 federal welfare law (the Personal Responsibility and Work Opportunity Reconciliation Act, or PRWORA); how the program fares over time may provide important lessons on the likely results of welfare reforms implemented in other parts of the country in response to the federal law.

This report has been prepared as part of a large-scale evaluation of Jobs First being conducted by the Manpower Demonstration Research Corporation (MDRC). The evaluation is funded under a contract with the Connecticut Department of Social Services (DSS) — the agency that administers Jobs First — and with support from the U.S. Department of Health and Human Services, the Ford Foundation, and the Smith Richardson Foundation. The study focuses on two welfare offices — Manchester and New Haven — which together include more than one-fourth of the state's welfare caseload. MDRC is a nonprofit, nonpartisan organization with a quarter century's experience designing and evaluating programs and policies for low-income individuals, families, and communities.

This is the third report in the Jobs First evaluation. The earlier reports, completed in 1997 and 1998, examined the implementation of Jobs First during its first two years of program operations. This report updates the implementation story, and also includes the first information about Jobs First's *impacts* — that is, the difference Jobs First makes relative to the outcomes generated by the welfare system that preceded it. To facilitate this assessment, between January 1996 and February 1997 several thousand welfare applicants and recipients (most of them single mothers) were assigned, at random, to one of two groups: the *Jobs First group*, whose members are subject to the welfare reform policies, and the *Aid to Families with Dependent Children (AFDC) group*, whose members are subject to the prior welfare rules. Because people were assigned to the groups through a random process, any differences that emerge between the two groups over time — for example, in employment rates or average family income — can reliably be attributed to Jobs First.

The report follows early enrollees in the two groups for up to two and a half years, slightly beyond the point when Jobs First group members began reaching the time limit. The study's final report, scheduled for 2001, will follow all members of the groups for up to four years, and will be accompanied by a separate document describing the impacts of Jobs First for children.

Highlights of the Findings

Key findings from this report include the following:

- **The main features of Jobs First were successfully put in place in the research sites, but the program has not been implemented very intensively.** Survey data show that Jobs First group members heard a more employment-focused message from the welfare system than did AFDC group members. In addition, a large majority of Jobs First group members were aware of the key program features: the time limit and the financial work incentives. Finally, the Jobs First group was more likely than the AFDC group to participate in employment-related activities, particularly activities aimed at rapid job placement. At the same time, owing to start-up problems and certain features of the program design (for example, limited contact between staff and clients), recipients' participation in employment-related activities was not closely monitored, and some aspects of the program message were not strongly reinforced.

- **Most Jobs First group members did not reach the time limit within two and a half years after enrollment. Of those who did, about half were granted an extension. Most of those whose cases were closed at the time limit were employed.** About two-fifths of the Jobs First group reached the time limit within two and a half years after enrollment; the others still had months remaining because they had left welfare or were temporarily exempted from the time limit. Over half of those who reached the time limit and attended a time limit review meeting had income below the welfare payment standard (the maximum grant for their family size) at that point, and almost all of them were granted at least one six-month extension. Conversely, most of those whose cases were closed at the time limit were working and had income above the payment standard. Overall, roughly one-fifth of Jobs First group members' cases were closed because of the time limit within the two-and-a-half-year follow-up period.

- **Jobs First increased employment rates and earnings throughout the follow-up period; impacts were particularly large for the least job-ready clients.** Just under 82 percent of Jobs First group members were employed at some point within two and a half years after enrollment compared with 74 percent of the AFDC group. In addition, Jobs First group members' total earnings were about 11 percent higher. But the averages mask an important pattern: Jobs First nearly doubled the employment rate for those facing multiple barriers to employment — a group that was not targeted for services prior to Jobs First — and generated almost no increase in employment or earnings for the most job-ready (although it did increase welfare receipt for the latter group).

- **In the first part of the study period, Jobs First substantially increased both welfare receipt and family income; as individuals began to reach the time limit, the program began to reduce welfare receipt and the income gains diminished.** As expected, the Jobs First group received more welfare

> than the AFDC group in the early part of the study period; the financial incentive allowed many working families to continue receiving benefits. Since Jobs First group members also had higher earnings, their combined income from public assistance and earnings was substantially higher than that of the AFDC group; they were also more likely to have savings and to own cars. The pattern changed abruptly when they began reaching the time limit: In the last part of the study period, the Jobs First group received substantially *less* welfare than the AFDC group, and the lower welfare benefits began to offset the Jobs First group's higher earnings. Thus, in the last three months of the follow-up period, the two groups had about the same total income. The Jobs First group, however, derived a greater share of its income from earnings — a key goal of the program. Data on participants' income brackets during this three-month period suggest that Jobs First caused some families to be worse off financially and other families to be better off than they would have been without the program.

Although these findings are encouraging in many respects, it is too early to draw any firm conclusions about how Jobs First will ultimately affect eligible families or government budgets. The longer-term picture will probably continue to improve from the budgetary perspective because the program started to reduce public assistance spending after families began reaching the time limit. But the future is more uncertain for participants, given the income trends that emerged at the end of the follow-up period.

The Policy Context of Jobs First

Between 1993 and mid 1996, more than 40 states were granted waivers of federal AFDC rules that enabled them to implement a variety of measures designed to increase employment and self-sufficiency among welfare recipients. Although the 1996 federal welfare law made major changes in the structure and funding of public assistance programs, most of the specific policies that the law encourages states to adopt were already being implemented as part of state waiver initiatives. For example, while the 1996 law restricts states from using federal funds to assist most families for more than five years (and allows states to set shorter time limits), more than 30 states had previously obtained waivers to implement some form of time limit in at least part of the state. Thus, these states' experiences provide an early look at the likely results of the new law.

Jobs First is one of the most important initiatives undertaken under waivers because it includes both some of the most stringent and some of the most generous provisions of any state welfare reform program. As of early 1999, a total of 17 states had imposed time limits that could result in cancellation of a family's entire welfare grant after less than 60 months of assistance, and only six of these states had imposed *lifetime* time limits of less than 60 months. Connecticut's 21-month limit is the shortest of these. In addition, Connecticut was one of the first states to impose a time limit in relatively large cities such as New Haven, Hartford, and Bridgeport. Many of the other early time limit programs were initially implemented as pilot programs in relatively small counties or regions of states. Because the Jobs First time limit is short and was imposed relatively early, more than half of the families that have reached a time limit nationwide are in

Connecticut. (In assessing a state's time limit policy, however, it is important to understand the design and implementation of exemption and extension policies; they are discussed further below.)

In other respects, Connecticut's welfare policies are unusually generous. Jobs First includes a financial work incentive that is both very liberal and distinctive in its design: *All* earned income is disregarded (that is, not counted) in calculating recipients' monthly welfare grants as long as their earnings are below the federal poverty level. This means that most recipients who find a job can continue receiving their entire welfare grant. While most states have enhanced earned income disregards, few, if any, are as generous as Connecticut's. Jobs First will provide important new evidence on earned income disregards and on the complex interaction between disregards and time limits.

About Connecticut and the Research Sites

Connecticut is a medium-sized state with high per capita income, but several very poor urban areas. The state's welfare grant levels ($543 for a typical family of three) are high by national standards but lower than those in most nearby states. Approximately 60,000 families were receiving cash assistance statewide when Jobs First began. The caseload declined modestly until late 1997, when recipients began reaching the 21-month time limit, and then started falling quickly. By August 1999, fewer than 30,000 families remained on welfare.

Jobs First has been implemented in a healthy economic climate: Connecticut's unemployment rate was at about the national average when Jobs First began, but has since dropped substantially below the national rate, which has also been declining.

The two Jobs First evaluation research sites were chosen in part because they represent two quite different environments. New Haven is the third largest city in the state and one of the poorest cities in the United States. More than 20 percent of the statewide welfare caseload is served by the New Haven DSS office. The Manchester office serves a more suburban area near Hartford, accounting for about 6 percent of the state caseload.

The Jobs First Program Model

Jobs First aims to replace welfare with earned income. To this end, the program replaced Connecticut's AFDC program with Temporary Family Assistance (TFA). Table 1 describes the key features of Jobs First, along with the prior policies, which apply to the AFDC group. The key features are:

- **A time limit.** Jobs First limits families to a cumulative total of 21 months of cash assistance receipt. Certain families, such as those in which the parent is incapacitated, are exempt from the time limit. (As long as the exemption applies, months of benefit receipt do not count toward the time limit.) In addition, recipients who reach the time limit may receive (renewable) six-month extensions of their benefits if they have made a good-faith effort to find employment but have family income below the welfare payment standard (the

Table 1

Connecticut's Jobs First Program
Comparison of Jobs First and AFDC Policies

Characteristic	Jobs First Policies	AFDC Policies
Time limit	21 months, with possibility of extensions	None
Benefit increase for children conceived while mother receives welfare	$50	Approximately $100
Earned income disregard (cash assistance)	All earned income disregarded as long as earnings are below federal poverty level	First 4 months of work: $120 plus 33% of earnings disregarded; months 4-12: $120 disregarded; after month 12: $90 disregarded; fill-the-gap budgeting
Earned income disregard (Food Stamps)	While family receives cash assistance, federal poverty level disregard applies	20% of gross earnings disregarded, in accordance with regular Food Stamp rules
Cash assistance eligibility for two-parent families	Nonfinancial eligibility rules are similar for single- and two-parent families	Two-parent families are subject to special nonfinancial eligibility criteria (e.g., principal wage earner must work less than 100 hours per month)
Asset limit for cash assistance eligibility[a]	$3,000	$1,000
Value of vehicle excluded in counting assets for cash assistance eligibility[a]	Up to $9,500 in equity value of one vehicle excluded	Up to $1,500 in equity value of one vehicle excluded
Medical assistance for families leaving welfare for work	Two years of transitional Medicaid; coverage beyond that point depends on eligibility for other programs	One year of transitional Medicaid; coverage beyond that point depends on eligibility for other programs
Child care assistance for families leaving welfare for work	Assistance provided as long as income is below 75% of state median	One year of transitional child care; assistance beyond that point depends on eligibility for other programs
Exemptions from employment-related mandates for recipients with young children	Parent exempt if caring for child under age 1 who was not conceived while mother received welfare	Parent exempt if caring for child under age 2
Child support rules	All child support passed through to custodial parent; first $100 a month disregarded in grant calculation	First $50 in child support passed through to custodial parent and disregarded in grant calculation
Sanctions for failure to comply with employment-related mandates	1st instance: grant reduced by 20% for 3 months; 2nd instance: grant reduced by 35% for 3 months; 3rd instance: grant canceled for 3 months	1st instance: adult removed from grant until compliance; 2nd instance: adult removed from grant for at least 3 months; 3rd instance: adult removed from grant for at least 6 months

SOURCE: Connecticut Department of Social Services policy materials.

NOTE: [a] Because cash assistance recipients are categorically eligible for Food Stamps, these asset rules effectively apply to Food Stamp eligibility while a family receives Temporary Family Assistance (TFA).

maximum monthly grant for their family size). Families whose cases are closed but who have income below the payment standard are referred to the Safety Net, a program administered by nonprofit organizations that aims to prevent harm to children in such families.

- **An earned income disregard.** To encourage and reward work, all earned income is disregarded (that is, not counted) in calculating recipients' cash grants (and Food Stamp benefits) as long as their earned income is below the federal poverty level. Recipients become ineligible for cash assistance if their earnings are at or above the poverty level. A parent with two children who was working 40 hours per week at $6.25 per hour would have $688 more in total monthly income under Jobs First than under AFDC.
- **Mandatory "work first" employment services.** Unless they were exempt, Jobs First group members were required to begin by looking for a job, either on their own or through Job Search Skills Training (JSST) courses that teach job-seeking and job-holding skills. Education and training were generally restricted to those who were unable to find a job despite lengthy upfront job search activities. Recipients who failed to meet these requirements could be sanctioned. During the first 21 months of assistance, sanctions involve reducing their welfare grant or closing their case for three months. The penalties become stricter after the time limit: A single instance of noncompliance during an extension may result in *permanent* discontinuance of the entire welfare grant (the "one-strike" policy).

Jobs First policies called for other changes in traditional welfare rules. For example, the program imposes a partial "family cap": When a recipient gives birth to a child who was conceived while she received welfare, her benefits are increased by about half as much as they would have been under prior rules. In addition, Jobs First participants receive two years of transitional Medicaid coverage after leaving welfare while employed (as opposed to the one year of coverage provided under prior law).

The Jobs First Evaluation

The Jobs First evaluation was initially required as a condition of the federal waivers that allowed Connecticut to operate the program. Then, in 1997, Connecticut received enhanced federal funding from the U.S. Department of Health and Human Services to support continuation of the study. (The state later received a second federal grant to expand the study to examine Jobs First impacts for children.)

The study has three major components:

- **Implementation analysis.** This component examines how Jobs First operates in the research sites. It assesses whether Jobs First policies have translated into concrete changes in the day-to-day operations of the welfare system and identifies obstacles that have been encountered. This information is necessary in order to understand the impact results and may also help DSS identify ways to improve program performance.

- **Impact analysis.** This part of the study provides estimates of the changes that Jobs First generates in employment rates and earnings, rates and amounts of welfare receipt, family income, the extent of welfare dependency, child well-being, and other outcomes, relative to outcomes under the welfare system that preceded it (as represented by the AFDC group).
- **Benefit-cost analysis.** This analysis uses data from the impact study, along with fiscal data, to compare the financial benefits and costs generated by Jobs First for both taxpayers and eligible families.

This report focuses on the implementation and impact analyses. (Longer-term impact results and results of the benefit-cost analysis will be presented in the study's final report.) It uses computerized administrative records data provided by the state to measure individuals' monthly AFDC/TFA benefits, monthly Food Stamp benefits, and quarterly earnings in jobs covered by Connecticut's unemployment insurance (UI) system. The records data are supplemented by a survey of just under 800 Jobs First and AFDC group members, which was conducted about 18 months after each person's date of random assignment. Finally, data on the program's implementation were obtained by interviewing line staff and supervisors, observing program activities, and reviewing relevant documents.

For the most part, the results presented in this summary are for early study enrollees — 2,140 single parents who were randomly assigned to the Jobs First and AFDC groups between January and June 1996. At least 30 months of follow-up data are available for each of these people, allowing the study to draw some initial conclusions about what happened after Jobs First group members began reaching the 21-month time limit. Only two years of follow-up are available for the full research sample, which includes people randomly assigned through early 1997.[1] Because results for the early enrollees are similar to results for the full sample through the first two years, the early group probably provides a good estimate of the Jobs First impact beyond that point. However, because the two sets of results are not identical, the final results presented in future reports (which will be based on the full sample) will differ somewhat from the results presented here.

Readers should bear in mind three key features of the study design. First, almost all of the results in this report are drawn from the two research sites, and thus may not represent the implementation or impacts of Jobs First in other offices.

Second, unlike some earlier studies of welfare-to-work programs, this one does not compare Jobs First with a control group that receives no services. Rather, it compares Jobs First with the AFDC policies that were in place just before the program began — policies that already included some emphasis on employment and self-sufficiency and some employment-related services for welfare recipients. Thus, the study's impact analysis is measuring the effects of Jobs First over and above what was already achieved by the earlier policy.

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[1] The full sample is used to assess the impact of Jobs First on subsets of the eligible population because larger sample sizes are critical for such analyses.

Third, although the study design has been well implemented, it seems likely that the behavior of the AFDC group has been influenced to some extent by the intense focus on welfare reform at the state and federal levels over the past few years. This suggests that the study may not capture the full impact of Jobs First.[2]

Jobs First Implementation in the Research Sites

The report examines the implementation of Jobs First during roughly its first three and a half years of operation — from early 1996 to mid 1999 — in order to understand how Jobs First has differed from AFDC in practice. Key findings include:

- **Jobs First group members heard a more employment-focused message from welfare staff than did AFDC group members; in addition, staff successfully informed recipients about the key program features.**

A series of questions on the client survey examined the messages that respondents heard from the welfare system and generally found large differences between the groups. The strongest message focused on quick employment: 67 percent of Jobs First group members and 44 percent of AFDC group members said that staff urged them to get a job as quickly as possible. Fewer Jobs First group members (53 percent) reported hearing that they should get off welfare quickly than that they should get a job quickly — staff urged them to take advantage of the earned income disregard by mixing work and welfare. Still, more Jobs First than AFDC group members reported hearing the quick-welfare-exit message (53 percent compared with 29 percent).

Nearly 90 percent of Jobs First group respondents reported that they were subject to a time limit, and most knew its length. More than 85 percent said that staff stressed that they could keep part of their welfare benefits if they went to work.

Just over 20 percent of AFDC group respondents reported that they were subject to a time limit. Some of them were correct — they had moved away from the research sites and become subject to Jobs First policies — but many had received erroneous information from the media, staff, family members, or other sources. This fact means that the evaluation results probably understate the impact of the Jobs First time limit on recipients' behavior, especially during the period before recipients could have reached the limit.

- **Jobs First group members were more likely than AFDC group members to participate in employment-related activities, particularly activities focused on quick job placement.**

Figure 1 shows the rates of participation in employment-related activities for Jobs First and AFDC group members in the first 18 months after each person's date of random assignment. These data are drawn from the survey and are self-reported. In addition, they include both activities arranged by DSS and those not arranged by DSS (for example, activities people participated in after they left welfare).

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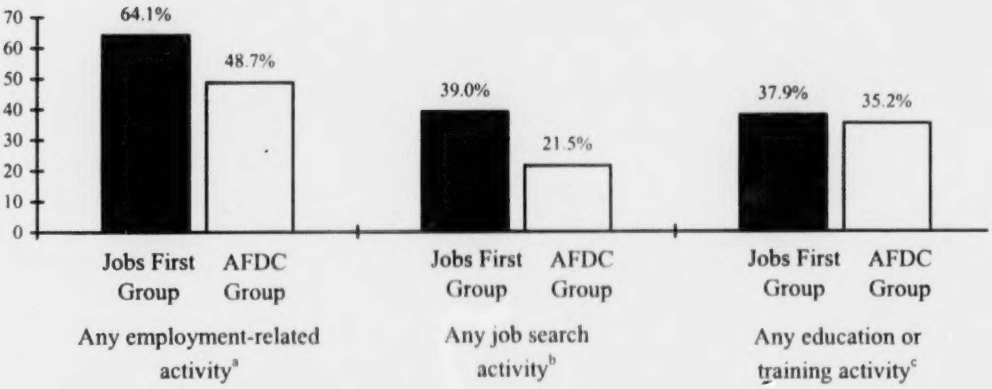
[2] In addition, the study is not designed to measure whether Jobs First has affected the number of people who apply for welfare.

Figure 1

Connecticut's Jobs First Program

Rates of Participation in Employment-Related Activities Within an 18-Month Follow-Up Period



NOTES: [a]The bars show the percentage of Jobs First and AFDC group members who participated in job search activities, education and training, work experience, or on-the-job training within 18 months following their date of random assignment.

[b]Includes Job Search Skills Training (JSST), Self-Directed Job Search (SDJS), job clubs, and other programs that require and assist people to look for employment.

[c]Includes Adult Basic Education (ABE), GED preparation, English as a Second Language (ESL), college, vocational training, and other education or training-oriented activities.

The figure shows that members of both groups were quite likely to report that they had participated in at least one employment-related activity. However, as expected, Jobs First group members had a significantly higher participation rate: 64 percent versus 49 percent for the AFDC group. This likely reflects the fact that a smaller proportion of Jobs First group members were exempt from participation mandates and that mandates were enforced more vigorously for the Jobs First group (in practice, AFDC group members were generally not required to participate in employment-related activities, as had been true prior to Jobs First).

Consistent with the program model, the overall difference in participation rates is driven mainly by an increase in participation in job search activities. With the exception of a small increase in college attendance (not shown in the figure), Jobs First did not increase the rate of participation in education or training activities. Because the job search activities were fairly brief, these data imply that Jobs First group members were likely not to have been continuously active in employment-related activities throughout their time on welfare. Moreover, despite their higher participation rates, Jobs First group respondents were only slightly more likely than AFDC group respondents to agree with the statement "I received help that improved my long-term chances of getting and keeping a job" (about half the respondents in each group agreed a little or agreed a lot).

A more detailed analysis of Jobs First group members who did not participate in any employment activities found that most of them either left welfare quickly, were employed for much of the time they received benefits (employed recipients were generally given low priority for employment services), or were exempt for a substantial period. (Overall, about one-quarter of Jobs First group members were exempt at some point, generally for less than one year). In other words, a very small proportion of recipients fell through the cracks entirely (as discussed earlier, this does not mean that people participated in activities continuously while on assistance).

Only about 3 percent of Jobs First group members, and less than 1 percent of AFDC group members, were sanctioned for failing to comply with employment-related mandates within 18 months after random assignment. The relatively low sanctioning rates for the Jobs First group probably reflect the modest scope of the employment-related requirements (that is, most recipients were not required to participate in many activities) and the fact that participation was not very tightly monitored (see below). The low sanctioning rate means that relatively few recipients have been offered an Individual Performance Contract (IPC), which allows noncompliant recipients to restore their eligibility for time limit extensions based on good-faith effort (a high percentage of those who were offered an IPC succeeded in restoring their eligibility for an extension).

- **While the key components of Jobs First were put in place in Manchester and New Haven, start-up problems and specific features of the program design prevented it from being implemented very intensively.**

As noted earlier, staff succeeded in informing most Jobs First group members about the key elements of the new policy and in referring most recipients to employment services with a work first focus. In addition, DSS was able to revise its statewide public assistance computer system to track recipients' time limit clocks and implement the enhanced earned income disregard and other changes in eligibility rules.

At the same time, Jobs First, like virtually all new programs, has experienced implementation problems. For example, the New Haven office in particular has faced persistent difficulties monitoring recipients' participation in employment activities, in large part because there have not been effective systems in place to obtain attendance reports from contracted service providers. These problems emerged early on, when employment services were mostly provided by private organizations working under contract to DSS, but have persisted since responsibility for employment services was shifted in mid 1998 to the Connecticut Department of Labor, Regional Workforce Development Boards, and their subcontractors. As this report was being completed, a new case management system was being phased in statewide, in part to improve participant monitoring.

Start-up problems were particularly likely to arise in Jobs First because the program has been implemented in a challenging environment. The program called for radical changes in the mission and activities of Connecticut's welfare system, but was put in place statewide from its inception, with little time for advance planning. In addition, a variety of other major initiatives in the past few years have consumed the time and energy of the staff and managers responsible for Jobs First, and the program itself has been revised in significant ways. Because the evaluation has mostly been conducted during the start-up period, its results probably represent a conservative estimate of the model's potential.

Other implementation issues have been related to the program design. For example, unlike some other state welfare reforms, Jobs First was implemented with virtually no increases in staffing (despite a large increase in the number of recipients who were expected to move toward self-sufficiency). To facilitate this approach, the program was designed so that staff and recipients do not necessarily interact very frequently. Thus, while most recipients were initially informed about the time limit and the enhanced disregard, and strongly urged to seek work, there was limited contact between recipients and staff in the subsequent months, and thus relatively few opportunities to reinforce these messages. Large worker caseloads also contributed to the monitoring problems described above. Finally, the key tasks of tracking clients' activities, assisting those with serious problems, and transmitting a clear, consistent program message have all become more challenging as an increasingly complex organizational structure has developed to implement the various aspects of Jobs First.

The Jobs First Time Limit

Although it is only one of many program features, the Jobs First time limit has been the subject of intense scrutiny. Thus, MDRC examined its implementation in detail. Key findings include:

- **Most Jobs First group members did not reach the time limit within the follow-up period for this report.**

MDRC examined patterns of TFA receipt during a two-and-a-half-year follow-up period for Jobs First group members who were randomly assigned between January and June 1996. This analysis found that about one-fourth of them reached the time limit 21 months after their random assignment date; that is, they received TFA continuously and were never exempt. About 39 percent reached the time limit within 30 months after enrollment. Thus, about 61 percent of Jobs First group members still had months remaining on their time limit clock 30 months after enrollment. Most of these individuals had left welfare; others were exempt from the time limit for at least part of the time they received benefits.

As discussed below, many of those who reached the time limit received an extension and were allowed to continue receiving benefits. Thus, overall, roughly one-fifth of Jobs First group members' cases were closed because of the time limit within the two-and-a-half-year follow-up period.

- **Just over half of those who reached the time limit were granted an extension at that point; they had very low income and were deemed to have made a good-faith effort to find a job. Most of these people were not receiving welfare 15 months later.**

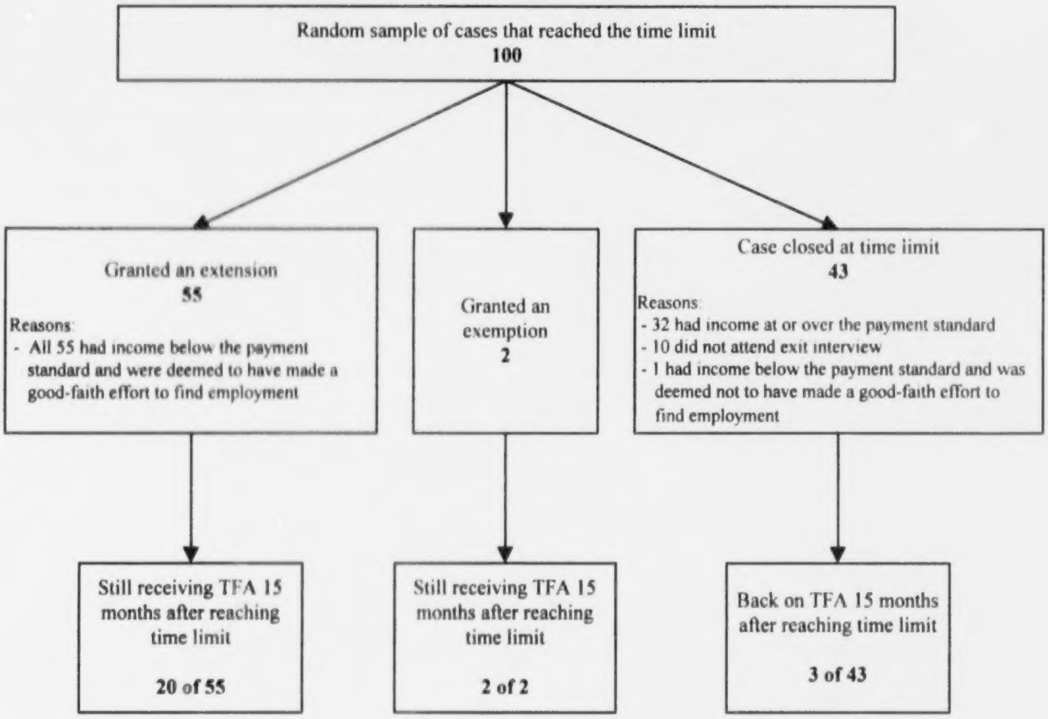
MDRC examined a randomly selected group of 100 cases who reached the time limit by March 1998. Figure 2 shows the outcomes for these cases during the 15 months after they reached the limit.

Recipients are called in for an "exit interview" in the 20th month of assistance, in order to determine whether they will receive an extension or have their case closed. Figure 2 shows that 55 of the 100 recipients MDRC studied were granted a six-month extension when they reached

Figure 2

Connecticut's Jobs First Program

Outcomes of 100 Cases That Reached the Jobs First Time Limit


Random sample of cases that reached the time limit
100
Granted an extension
55
Reasons:
- All 55 had income below the payment standard and were deemed to have made a good-faith effort to find employment
Granted an exemption
2
Case closed at time limit
43
Reasons:
- 32 had income at or over the payment standard
- 10 did not attend exit interview
- 1 had income below the payment standard and was deemed not to have made a good-faith effort to find employment
Still receiving TFA 15 months after reaching time limit
20 of 55
Still receiving TFA 15 months after reaching time limit
2 of 2
Back on TFA 15 months after reaching time limit
3 of 43

NOTE: This figure is based on a random subset of 100 of the 353 Jobs First group members who reached the time limit by March 1998.

the time limit (two other cases were granted an exemption at that point).[3] All 55 were granted an extension because they had income below the welfare payment standard and were deemed to have made a good-faith effort to find employment. Interviews with staff indicated that many of the individuals who were granted an extension had not been closely monitored during the pre-time limit period; in accordance with the program rules, however, they were assumed to have made a good-faith effort because there was no evidence to the contrary (in general, a good-faith effort is assumed so long as the recipient was not sanctioned more than once and did not quit a job without good cause in the final six months of assistance).

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[3] MDRC classified a case as initially receiving an extension if the recipient reached the time limit and then continued receiving benefits in month 22. Some of these recipients did not attend their exit interview when it was first scheduled, but visited the office and were granted an extension in time to prevent losing a month of assistance. Conversely, a case was classified as having been closed at the time limit if the recipient received benefits for 21 countable months and then did not receive assistance in month 22.

There is no limit on the number of six-month extensions a family may receive. Nevertheless, 35 of the 55 recipients who were initially granted an extension were no longer receiving TFA benefits 15 months later. Although recipients in extensions are subject to the one-strike noncompliance policy described earlier, only 6 of the 35 cases were closed because they failed to comply with employment requirements. About 20 of the 35 left TFA because they found a job (the others moved out of the state or left welfare for other reasons).

Despite the relatively small number of permanent case closures, dealing with noncompliance during extensions (and at earlier points) has emerged as a key implementation challenge. Staff report that the current good-cause policies, which guide staff in determining whether recipients have a valid excuse for quitting a job or missing employment activities, leave many gray areas. As a result, staff must exercise substantial discretion on decisions with very high stakes, and many workers believe that recipients in similar situations may be treated differently by different workers. At the same time, most staff were skeptical that more detailed rules would improve the situation.

In addition to the 55 individuals who were granted an extension when they reached the time limit (and the two who were granted exemptions), another 5 people initially had their cases closed at the time limit but were granted an extension at some point within the next 15 months (see below). Thus, overall, 62 of the 100 people who reached the time limit received TFA benefits at some point in the subsequent 15 months, but only 25 were still receiving benefits 15 months after reaching the time limit.

- **The cases of just under half of those who reached the time limit were closed at that point. A large proportion of them were working and had income above the payment standard, and very few of them returned to TFA during the subsequent 15 months.**

As shown in Figure 2, the cases of 43 of the 100 recipients that MDRC studied were closed at the time limit. Thirty-two of the 43 were denied an extension because they had income above the welfare payment standard. Many of these people would have become ineligible for welfare earlier had it not been for the enhanced disregard. Another 10 had their case closed because they failed to attend their exit interview; it appears that most of these individuals were employed at that point, although not necessarily earning above the payment standard. Nevertheless, their cash assistance and Food Stamp cases were closed because they did not attend the interview (their Medicaid coverage continued if they were reporting earnings to DSS).

Only one of the recipients whose case was closed had income below the payment standard and was deemed not to have made a good-faith effort. Thus, in all, 57 of the 58 individuals who attended their exit interview and had income below the payment standard were initially granted an extension or exemption. (As noted earlier, another 6 cases were closed for noncompliance after initially receiving an extension.)

Recipients whose cases are closed because their income is over the payment standard (as well as those who fail to attend the exit interview) may be granted an extension later if their income drops below the payment standard and they have made a good-faith effort to find employment (both before reaching the time limit and afterward). However, of the 43 people whose cases were closed at the time limit, 38 never returned to TFA in the subsequent 15 months (not shown in the figure), and only 3 were receiving TFA 15 months after reaching the time limit. Another 11 applied for TFA at some point, but did not start to receive benefits, usually because they were found to be financially ineligible or because they did not complete necessary paperwork.

MDRC examined the income of the recipients whose cases were closed at the time limit, both before and after the time limit, using administrative records. As expected, their average combined income from earnings and public assistance fell dramatically, from $4,435 in the quarter before reaching the time limit to $2,988 in the quarter after the time limit (a 33 percent drop). Nevertheless, it is important to point out that even after the time limit, about two-thirds of the recipients whose cases were closed had more income than a typical nonworking family would receive from TFA and Food Stamps. Moreover, these figures do not include the earned income credit (EIC), which substantially increases the income of many low-wage workers; child support payments; or other income sources.

Interestingly, this analysis also showed that the employment rate among those who had their case closed at the time limit dropped substantially, from 87 percent in the quarter when their case was closed to 77 percent in the third quarter afterward. Despite this drop, however, only 5 percent received TFA in the latter quarter. Although this could mean several things (for example, some people may have moved out of Connecticut), it suggests that those who lose jobs are not necessarily returning to TFA (the earlier discussion suggests that others may have applied for benefits, but never received them).

- **Only a small number of people who reached the time limit have had their cases closed despite having income below the welfare payment standard; thus, the number of referrals to the Safety Net program has been relatively small, but may grow over time.**

Recipients whose grants are discontinued despite having income below the payment standard (because they are deemed not to have made a good-faith effort to find employment) are referred to the Safety Net program for further assistance and are generally not eligible for further extensions (they can receive assistance again if they become exempt or encounter circumstances beyond their control that prevent them from working). The cases of 8 of the 100 recipients studied by MDRC who reached the time limit were closed under these circumstances within 15 months after reaching the limit.[4] Since only about two-fifths of the Jobs First group members reached the time limit within the report's follow-up period, it suggests that less than 5 percent of the entire group was referred to Safety Net services.

At the same time, it is important to note that statewide program records show that the number of referrals to Safety Net services has grown substantially over time. This is not surprising; as of August 1999, nearly 25 percent of the statewide TFA caseload (and 40 percent of those subject to the time limit) were in an extension, and thus subject to the one-strike noncompliance policy.

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[4] One case was closed for lack of good-faith effort upon reaching the time limit, six were closed for noncompliance during an extension, and one was denied an extension for lack of good-faith effort when reapplying for benefits. In addition, it is possible that some of the 10 people who failed to attend their exit interview had income below the payment standard.

Jobs First Impacts on Employment, Public Assistance Receipt, and Income

As discussed earlier, most of the impact results presented in this summary are for early enrollees who were assigned to the research groups between January and June 1996; at least two and a half years of follow-up data are available for this group. The full sample — for whom two years of follow-up are available — is used primarily for assessing the impact of Jobs First on subgroups. Key findings from the impact analysis include the following:

- **During the first part of the follow-up period, before anyone reached the time limit, Jobs First raised employment rates and earnings and also increased public assistance receipt; thus, the program substantially increased family income.**

Members of the Jobs First group were more likely to work than members of the AFDC group. The upper panel of Figure 3 shows that the employment impact emerged early in the follow-up period and remained fairly constant thereafter (that is, the distance between the two lines remained about the same).

The upper panel of Table 2 shows results for the sixth quarter of the follow-up period, the last complete quarter before recipients began reaching the time limit. Fifty-six percent of Jobs First group members worked at some point in that quarter compared with 46 percent of AFDC group members. The difference — about 10 percentage points — is statistically significant, which means it is very likely that Jobs First really did raise employment rates. These overall employment impacts are impressive, especially considering the high employment rate for the AFDC group: The lower panel of Table 2 shows that about 74 percent of AFDC group members worked at some point in the follow-up period, leaving relatively little room for Jobs First to generate impacts.

Table 2 also shows that average earnings were about 16 percent higher for the Jobs First group in quarter 6. It is important to note that the earnings figures are overall averages, including both those who worked in the quarter and those who did not. Employed Jobs First group members earned $2,655, on average, during the quarter (not shown).

The middle panel of Figure 3 shows that, as expected, Jobs First increased the number of those receiving cash assistance (AFDC or TFA) during the period before anyone reached the time limit. This is attributable to the enhanced earned income disregard, which allowed many working Jobs First group members to retain their TFA grant in months when their income would otherwise have made them ineligible for assistance. Table 2 shows that, as a result, Jobs First increased cash assistance payments by about 18 percent in quarter 6. The enhanced disregard also generated an increase in Food Stamp payments throughout much of the early period (though not in quarter 6).

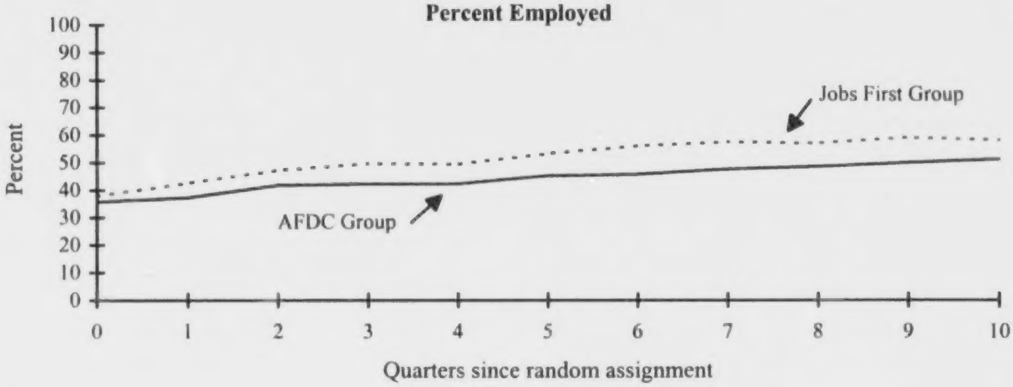
Raising family income was never an explicit goal of Jobs First. However, because Jobs First group members had both higher earnings *and* higher public assistance payments in the period before anyone reached the time limit, their average combined income from these sources

Figure 3

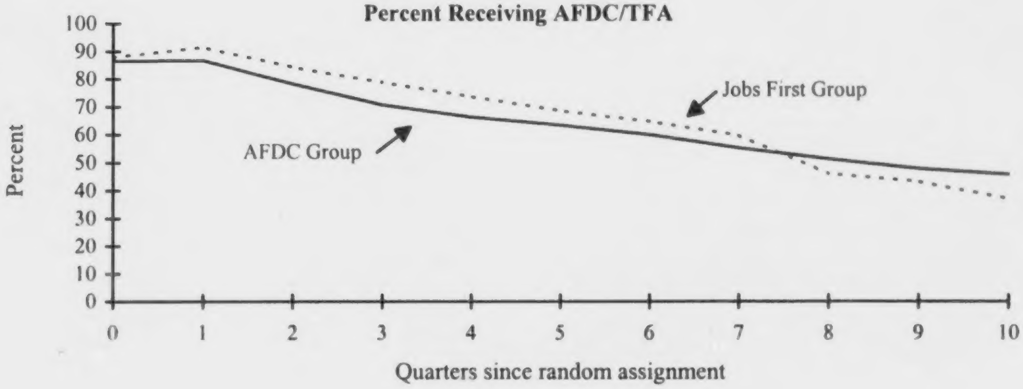
Connecticut's Jobs First Program

Quarterly Employment, AFDC/TFA Receipt, and Total Income

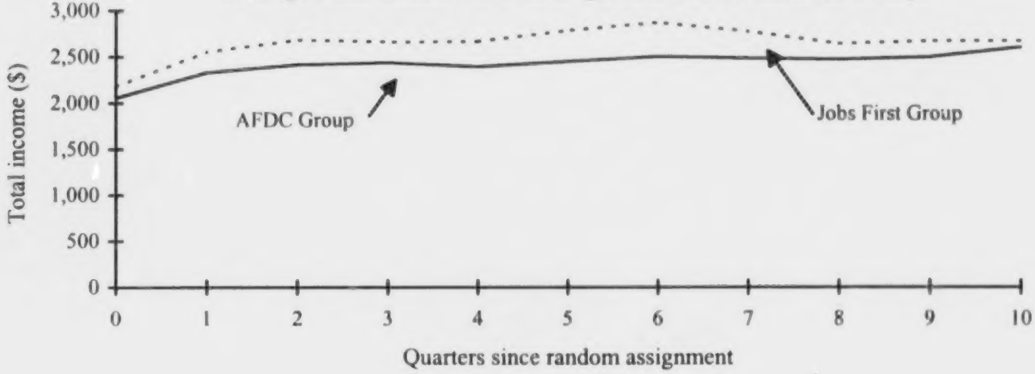
Percent Employed



Percent Receiving AFDC/TFA



Average Total Income from Earnings, AFDC/TFA, and Food Stamps



NOTE: The sample includes members randomly assigned between January and June 1996.

Table 2

Connecticut's Jobs First Program

Summary of Jobs First Impacts Over a 30-Month Follow-Up Period for the Early Cohort

Outcome	Jobs First Group	AFDC Group	Difference	Percentage Change
Before anyone reached the time limit:				
Quarter 6				
Ever employed (%)	56.0	45.7	10.3 ***	22.5
Average earnings ($)	1,487	1,287	200 **	15.5
Ever received AFDC/TFA (%)	64.6	59.9	4.7 **	7.8
Average AFDC/TFA payments ($)	948	805	144 ***	17.9
Ever received Food Stamps (%)	66.5	67.4	-1.0	-1.4
Average Food Stamp payments ($)	432	408	24	6.0
Average income from earnings, AFDC/TFA, and Food Stamps ($)	2,868	2,500	368 ***	14.7
After some Jobs First group members had reached the time limit:				
Last 3 months of follow-up (quarter 10)				
Ever employed (%)	58.1	51.2	6.9 ***	13.5
Average earnings ($)	1,815	1,631	183 *	11.2
Ever received AFDC/TFA (%)	36.8	45.6	-8.8 ***	-19.3
Average AFDC/TFA payments ($)	505	616	-111 ***	-18.0
Ever received Food Stamps (%)	53.9	56.1	-2.2	-3.9
Average Food Stamp payments ($)	347	352	-5	-1.4
Average income from earnings, AFDC/TFA, and Food Stamps ($)	2,667	2,599	68	2.6
Entire follow-up period:				
First 30 months of follow-up (quarters 1-10)				
Ever employed (%)	81.5	73.8	7.7 ***	10.4
Average total earnings ($)	13,244	11,951	1,293 **	10.8
Ever received AFDC/TFA (%)	94.2	91.4	2.8 **	3.1
Average total AFDC/TFA payments ($)	9,256	8,416	840 ***	10.0
Ever received Food Stamps (%)	93.6	92.3	1.3	1.4
Average total Food Stamp payments ($)	4,433	4,188	246 **	5.9
Average total income from earnings, AFDC/TFA, and Food Stamps ($)	26,933	24,555	2,378 ***	9.7
Sample size	1,059	1,081		

NOTES: The sample includes members randomly assigned between January and June 1996.

Dollar averages include zero values for sample members who were not employed or were not receiving AFDC/TFA or Food Stamps.

A two-tailed t-test was applied to differences between the research groups. Statistical significance levels are indicated as ***=1 percent, **=5 percent, and *=10 percent.

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was substantially higher than the AFDC group average. Table 2 shows that Jobs First group members had about 15 percent more income from earnings, cash assistance, and Food Stamps during quarter 6. This is not a complete measure of family income because it does not include other income sources, such as child support and the EIC, does not count income of other household members, and does not include income that was derived outside Connecticut.

Data from the survey, which includes a fuller income measure, paint a very similar picture. Survey data also indicate that Jobs First group members were more likely than AFDC group members to own a car and to have at least some savings 18 months into the follow-up period. Jobs First group members were also more likely to have health coverage at that point, primarily because they were more likely to be covered by Medicaid.

- **After families began reaching the time limit, Jobs First began to reduce welfare receipt and payments; the income gains diminished, and it appears that some families were made worse off by the program.**

Jobs First group members began to reach the time limit in the 7th quarter of the follow-up period. The cases of about 13 percent of the Jobs First group were closed on reaching the time limit in that quarter. As noted earlier, by the end of the follow-up period (quarter 10), the cases of about 20 percent of the Jobs First group were closed because of the time limit.

Figure 3 and Table 2 show that the pattern of Jobs First impacts on public assistance receipt and payments changed abruptly when members of the Jobs First group began to reach the time limit. As noted earlier, in the first 18 months of follow-up (before anyone reached the time limit), Jobs First group members were more likely than AFDC group members to receive cash assistance. Beginning in quarter 8, after some people had reached the time limit, Jobs First group members were *less* likely to receive cash assistance. The middle panel of Table 2 shows that in the last three months of the follow-up period (quarter 10), the rate of cash assistance receipt was substantially lower for the Jobs First group (37 percent versus 46 percent for the AFDC group), and Jobs First group members received 18 percent less cash assistance. The patterns of Food Stamp impacts were similar, though less dramatic: Jobs First group members received more Food Stamps in the pre-time limit period, but this increase disappeared in the later quarters.

As might be expected, the total income results also look quite different in the period after people began reaching the time limit. Although Jobs First group members continued to have slightly higher average combined income just after people began reaching the time limit, this impact seems to have disappeared by the end of follow-up. The middle panel of Table 2 shows that in the last three months of follow-up Jobs First group members' higher earnings were almost completely offset by their lower public assistance amounts. Thus, total income from earnings, AFDC/TFA, and Food Stamps was nearly the same for the two groups, although Jobs First group members derived a larger proportion of their income from earnings and a smaller proportion from public assistance.[5] It is important to note, however, that this trend did not erase the earlier income gains — the lower panel of Table 2 shows that Jobs First group members had an average of $2,378 more combined income than AFDC group members over the entire 30-month follow-up period. Moreover, since Jobs First was primarily designed to replace welfare with earned income, the income results at the end of the follow-up period are generally consistent with the program's objectives.

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[5] As noted earlier, these income results do not include the EIC. Because Jobs First group members had higher average earnings, they probably benefited more from the EIC than did AFDC group members. However, it is also likely that Jobs First group members had higher work-related expenses (for example, for transportation or child care).

Table 3 shows that the overall averages mask an important emerging pattern. After families started reaching the time limit, Jobs First began to increase the number of families in both the high and low income brackets. In other words, the program appears to be making some people better off financially and others worse off. The latter result may be attributable to the fact that some of those who were denied an extension because their income was over the payment standard either did not or could not return to welfare when their income later dropped. It may also reflect the fact that the cases of a growing number of recipients are being closed despite having income below the payment standard (for example, because they did not attend an exit interview or failed to cooperate with program requirements during an extension). It will be important to see whether this trend continues in later quarters.

The Jobs First impact on employment rates did not change much when families began reaching the time limit. This is not surprising, because most of those whose grants were discontinued at the time limit were already working. Essentially, the program allowed a large number of working families to retain their welfare grant temporarily and then discontinued their benefits at the time limit. This is illustrated in Table 4, which shows patterns of employment and AFDC/TFA receipt in quarter 6 (before families began reaching the time limit) and quarter 10. In quarter 6, Jobs First generated a large increase in the percentage of those combining work and welfare. It did so by decreasing both the percentage who received welfare without working and the percentage who worked without receiving welfare (that is, it let many working families stay on assistance). In quarter 10, after many working families had been removed from welfare, Jobs First group members were *more* likely than AFDC group members to be working and off welfare. (The program also increased the percentage who neither worked nor received welfare; this could reflect a greater number of families moving out of state or relying on unmeasured income sources.)

- **Jobs First impacts on employment and earnings were concentrated among individuals facing greater barriers to employment. For welfare applicants — a more job-ready group — the main impact of Jobs First was to increase public assistance receipt.**

The study examined Jobs First impacts separately for individuals who were applying for welfare when they entered the study and for those who were already receiving benefits at that point. In general, applicants face less serious barriers to employment than do recipients.[6]

Jobs First impacts on employment and earnings were concentrated among the recipient subgroup. Increases in employment rates and earnings were quite large for them and even larger for people facing multiple barriers to employment. For example, in the pre-time limit period, Jobs First nearly doubled the average quarterly employment rate among those who were long-term welfare recipients, had no recent work history, and had no high school diploma (the average

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[6] Results for subgroups are based on the full research sample because sample sizes are larger. Thus, the subgroup results include only the two years of follow-up data that are available for the full sample.

Table 3

Connecticut's Jobs First Program

Distribution of Measured Income in the Last Three Months of the Follow-Up Period

Outcome	Jobs First Group (%)	AFDC Group (%)	Difference (%)	
Total income from earnings, AFDC/TFA, and Food Stamps in quarter 10				
$0	18.1	16.0	2.1	
$1-$1,500	17.5	14.2	3.4	**
$1,501-$2,400	14.9	23.5	-8.6	***
$2,401-$3,000	9.1	12.3	-3.2	**
More than $3,000	40.4	34.0	6.4	***
Sample size	1,059	1,081		

NOTES: The sample includes members randomly assigned between January and June 1996.

A two-tailed t-test was applied to differences between the research groups. Statistical significance levels are indicated as ***=1 percent, **=5 percent, and *=10 percent.

employment rate was 17 percent for the AFDC group and 32 percent for the Jobs First group).

In contrast, the program did not increase employment or earnings among applicants, who were quite likely to find a job without the program (that is, the employment rate was high for the AFDC group). The program's primary impact for this subgroup was to allow those who would have worked anyway to continue receiving public assistance, thereby raising their income.

- **There was great variation in the quality of sample members' jobs.**

The impact results suggest that most of the people who went to work because of Jobs First (that is, who would not have worked otherwise) initially obtained fairly low-wage and/or part-time jobs. However, among *all* employed Jobs First group members, job characteristics were diverse. For example, about half of the employed Jobs First group members who responded to the survey earned below $7.50 an hour in their current or most recent job, while the other half earned $7.50 an hour or above. About 60 percent worked 30 hours or more per week. About 45 percent worked in a job with employer-provided health insurance, but only about 15 percent were enrolled in their employer's health plan (most of the other respondents were covered by Medicaid).

Overall, just under 40 percent of employed Jobs First group members worked 30 hours or more per week in a job that provided at least some fringe benefits (that is, employer-provided health insurance, paid sick days, or paid vacation). At the other extreme, just over 20 percent were in a part-time jobs that provided no benefits.

Table 4

Connecticut's Jobs First Program

Impacts on Combining Work and Welfare

Outcome	Jobs First Group (%)	AFDC Group (%)	Difference (%)	
Before anyone reached the time limit:				
Quarter 6				
Employed and receiving AFDC/TFA	38.2	20.8	17.4	***
Not employed and receiving AFDC/TFA	26.4	39.1	-12.7	***
Employed and not receiving AFDC/TFA	17.8	24.9	-7.1	***
Neither employed nor receiving AFDC/TFA	17.6	15.2	2.4	
After some Jobs First group members had reached the time limit:				
Quarter 10				
Employed and receiving AFDC/TFA	20.7	18.6	2.1	
Not employed and receiving AFDC/TFA	16.1	27.1	-11.0	***
Employed and not receiving AFDC/TFA	37.4	32.6	4.8	**
Neither employed nor receiving AFDC/TFA	25.8	21.8	4.1	**
Sample size	1,059	1,081		

NOTES: The sample includes members randomly assigned between January and June 1996.

A two-tailed t-test was applied to differences between the research groups. Statistical significance levels are indicated as ***=1 percent, **=5 percent, and *=10 percent.

An Unfinished Story

Jobs First is an unusual hybrid. On the one hand, it has the nation's shortest time limit and a strong work first focus. On the other hand, its financial work incentive may be the most generous of any state's, and many recipients are granted an extension when they reach the time limit. The program sought to encourage and assist recipients to find a job as quickly as possible, and gave them a temporary income supplement, in the hope that they would gain work experience and possibly build assets that would prepare them for longer-term self-sufficiency.

In some respects, the early results are encouraging. In the pre-time limit period, Jobs First increased employment rates and family income, especially for the least job-ready recipients. The program generated higher public assistance costs, but only in the short term. In addition, the fact that Jobs First has increased welfare receipt and spending (relative to what would have occurred under the old rules) is probably of less concern during a period when the state's overall welfare caseload has been declining dramatically. The risk for recipients has been minimized so far because most people who were unable to find a job were granted an extension when they reached the time limit. Conversely, those whose cases were closed at the time limit mostly comprised employed recipients who would have left welfare earlier had it not been for the enhanced disregard; moreover, these individuals may be eligible for an extension later if their income drops.

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But it is too early to draw final conclusions about Jobs First impacts on participants or government budgets. This report's follow-up period is long enough to see that the pattern of impacts changed abruptly when Jobs First group members began to reach the 21-month time limit, but not long enough to reliably predict what the longer-term picture will look like.

The results will probably continue to improve from the government budget perspective. Savings in public assistance payments will probably continue to accumulate over time, although it is too soon to tell whether the savings will eventually outweigh the large upfront costs.

The future is more uncertain for participants and their families. The income trends at the end of the follow-up period — particularly the income distribution trends — suggest that the program may be making some families better off financially and others worse off. Ironically, although the enhanced disregard may have contributed to the employment gains, and certainly helped to raise the income of many working families, it also caused many Jobs First group members to reach the time limit more quickly than they otherwise would have (and more quickly than recipients reached time limits in other states that have been studied). Although most of those whose cases were closed can theoretically receive an extension later, the early evidence shows that many of those who lost their job did not return to welfare. In addition, the recipients who received an extension became subject to a very strict policy that could result in permanent benefit cancellation after a single instance of noncompliance. Finally, it is not clear how the families whose cases were closed because of the time limit will fare if the labor market weakens.

A large-scale survey, currently being administered, will obtain detailed information on family income, material hardship, and child well-being for several thousand families about three years after random assignment.

Implications of the Findings to Date

The results to date highlight several emerging challenges for Jobs First. First, many staff believe that the work first focus may need to be revised as the caseload is increasingly dominated by recipients facing more serious barriers to employment. This process has already begun, but the Department of Labor and the Regional Workforce Development Boards still must confront the substantial challenge of developing effective employment models for the hardest to employ. As discussed earlier, this may require some streamlining of the complex organizational structure that has emerged to assist such recipients.

Second, with a large proportion of the caseload subject to the one-strike noncompliance policy, DSS faces the challenge of ensuring that good cause criteria are implemented in a way that is flexible enough to account for individual circumstances, but consistent enough to ensure that individuals in similar situations receive similar treatment. This will be difficult because, by definition, the individuals in extensions are long-term welfare recipients; the same issues and personal problems that have prevented them leaving welfare may also contribute to noncompliance and job losses. Interviews with staff suggest that the focus will need to be on day-to-day implementation practices; it is not clear that additional or more detailed policies will, in themselves, ensure the desired outcomes.

Third, Connecticut, like most other states that have experienced dramatic welfare caseload declines, faces the challenge of promoting employment retention and career advancement among low-wage workers. This is likely to involve both strategies to promote wage progression and supports for families who remain in relatively low-wage jobs. The longer-term success of Jobs First may depend on whether former recipients are able to support their children *over the long-term* without cash assistance.

Finally, the results for the welfare applicant subgroup suggest that Connecticut may want to reexamine the Jobs First design at some point in the future. The employment and earnings gains measured in this study were mostly driven by people who were already receiving welfare at the time they entered the Jobs First program. In the future, after this initial recipient group has moved off welfare, most people will enter Jobs First when they are applying for benefits; many will be new to the welfare system. The study results indicate that the main impact of Jobs First for applicants is to provide additional welfare benefits and income to people who would have worked anyway. In addition, it is quite possible that the generous disregard will begin to draw some low-income families to TFA.

Given that the primary goal of Jobs First has been to replace welfare with earned income, the results for applicants suggest that the program's work incentives probably should be targeted more narrowly on people who would be least likely to work in the absence of incentives. If the state is now seeking to supplement the earnings of low-income working families, it will need to consider whether work incentives within the welfare system are the most appropriate vehicle for achieving this goal.

Chapter 1

Introduction

Connecticut's Jobs First program is a statewide welfare reform initiative that began operating in January 1996. Jobs First was one of the earliest statewide programs to impose a time limit on welfare receipt: Families are limited to 21 months of cash assistance unless they are granted an exemption or an extension. The program also includes generous financial work incentives and requires recipients to participate in employment-related services targeted toward rapid job placement. Jobs First was initiated under waivers of federal welfare rules that were granted before the passage of the 1996 federal welfare law (the Personal Responsibility and Work Opportunity Act, or PRWORA); how the program fares over time may provide important lessons on the likely results of welfare reforms implemented in other areas in response to the federal law.

This report has been prepared as part of a large-scale evaluation of Jobs First being conducted by the Manpower Demonstration Research Corporation (MDRC). The evaluation is funded under a contract with the Connecticut Department of Social Services (DSS) — the agency that administers Jobs First — and with support from the U.S. Department of Health and Human Services, the Ford Foundation, and the Smith Richardson Foundation. The study, which focuses on two of the state's welfare offices — Manchester and New Haven — began in 1996 and is scheduled to end in 2001. MDRC is a nonprofit, nonpartisan organization with a quarter century's experience designing and evaluating programs and policies for low-income individuals, families, and communities.

This is the third report in the Jobs First evaluation. The earlier reports, completed in 1997 and 1998, examined the implementation of Jobs First during its first two years of program operations.[1] This report updates the implementation story, and also includes the first information about Jobs First's *impacts* — that is, the difference that Jobs First makes relative to the outcomes generated by the welfare system that preceded it. To facilitate this assessment, between January 1996 and February 1997 several thousand welfare applicants and recipients were assigned, at random, to one of two groups: the *Jobs First group*, whose members are subject to the welfare reform policies, and the *Aid to Families with Dependent Children (AFDC) group*, whose members are subject to the prior welfare rules.[2] Because people were assigned to the groups through a random process, any differences that emerge between the two groups over time — for example, in employment rates or average family income — can reliably be attributed to Jobs First. The report follows early enrollees in the two groups for two and a half years, long enough for some members of the Jobs First group to have reached the 21-month time limit. (The study's final report, scheduled for 2001, will follow the groups for up to four years, and will be accompanied by a separate document describing the impacts of Jobs First for children.)

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[1] Bloom and Andes, 1997; Bloom, Andes, and Nicholson, 1998.

[2] The AFDC group exists only in Manchester and New Haven. In other areas of the state all welfare recipients are subject to Jobs First policies.

I. The Policy Context of Jobs First

Between 1993 and mid 1996, more than 40 states were granted waivers of federal AFDC rules that enabled them to implement a variety of measures designed to increase employment and self-sufficiency among welfare recipients. Although the 1996 federal welfare law made major changes in the structure and funding of public assistance programs, most of the specific policies that the law encourages states to adopt were already being implemented as part of state waiver initiatives. For example, while the 1996 law restricts states from using federal funds to assist most families for more than five years (and allows states to set shorter time limits), more than 30 states had previously obtained waivers to implement some form of time limit in at least part of the state. Thus, these states' experiences provide an early look at the likely results of the new law.

Jobs First is one of the most important initiatives implemented under waivers. The program includes both some of the most stringent and some of the most generous provisions of any state welfare reform initiative. As of early 1999, a total of 17 states had imposed time limits that could result in cancellation of a family's entire welfare grant after less than 60 months of assistance, and only six of these states had imposed *lifetime* time limits of less than 60 months.[3] Connecticut's 21-month limit is the shortest of these. In addition, Connecticut was one of the first states to impose a time limit in relatively large cities such as New Haven, Hartford, and Bridgeport. Many of the other early time limit programs were initially implemented as pilot programs in relatively small counties or regions of states. Because the Jobs First time limit is short and was imposed relatively early, more than half of the families who have reached a time limit nationwide are in Connecticut.[4] (In assessing a state's time limit policy, however, it is important to understand the design and implementation of exemption and extension policies; they are discussed further below.)

In other respects, Connecticut's welfare policies are unusually generous. Jobs First includes a financial work incentive that is both very liberal and distinctive in its design: *All* earned income is disregarded (that is, not counted) in calculating recipients' monthly welfare grants as long as their earnings are below the federal poverty level. This means that most recipients who find a job can continue receiving their entire welfare grant. While most states have earned income disregards, few, if any, are as generous as those in Connecticut. Jobs First will provide important new evidence on earned income disregards and on the complex interaction between disregards and time limits.

II. The Jobs First Program Model

Jobs First replaced Connecticut's AFDC program with Temporary Family Assistance (TFA). Materials produced by the Department of Social Services in 1996 state that the program is intended to "begin a transformation of [Connecticut's] welfare program from a system of dependency to one of personal responsibility and self-support . . . the underlying philosophy is that employment, whether full time or part time, high skilled or low, offers clients the dignity that no AFDC check can."

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[3] The states with lifetime limits of less than 60 months are Connecticut (21 months), Arkansas (24 months), Idaho (24 months), Utah (36 months), Florida (48 months), and Georgia (48 months). Other states have "fixed period" time limits of less than 60 months; for example, a limit of 24 months within any 60-month period. This discussion does not include "reduction" time limits, which reduce, but do not eliminate a family's welfare grant at the time limit. (Based on unpublished data from the State Policy Documentation Project, administered by the Center on Budget and Policy Priorities and the Center on Law and Social Policy [www.spdp.org].)

[4] Based on unpublished data through August 1999 from the Center on Budget and Policy Priorities.

Table 1.1 describes the key features of the new program, along with the corresponding policies that apply to the AFDC group. The key features of Jobs First are:

- **A time limit.** Jobs First limits families to a cumulative total of 21 months of cash assistance receipt. Certain families, such as those in which the parent is incapacitated, are exempt from the time limit. (As long as the exemption applies, months of benefit receipt do not count toward the time limit.) In addition, recipients may receive (renewable) six-month extensions of the time limit under certain circumstances.

- **An earned income disregard.** To encourage and reward work, all earned income is disregarded (that is, not counted) in calculating recipients' cash grants (and Food Stamp benefits) as long as their earned income is below the federal poverty level. (Unearned income such as child support is counted against the grant.) Recipients become ineligible for cash assistance if their earnings are at or above the poverty level.

- **Mandatory "work first" employment services.** Jobs First participants are required to participate in employment services targeted toward rapid job placement.

Jobs First policies called for other changes in traditional welfare rules. For example, the program imposes a partial "family cap": When a recipient gives birth to a child who was conceived while she received welfare, her benefits are increased by about half as much as they would have been under prior rules. In addition, Jobs First participants receive two years of transitional Medicaid coverage after leaving welfare while employed (as opposed to one year of coverage provided under prior law).[5]

Finally, all child support collected on behalf of children receiving assistance is given directly to the custodial parent, and the first $100 per month is disregarded in calculating the grant amount. (Under prior rules, the child support disregard was $50, and the recipient did not receive a separate check for the full amount of child support; thus, recipients may not have known how much support had been paid.) This change was designed to make it easier for recipients to see how much support is collected for their children and to provide a greater financial incentive to cooperate with child support enforcement efforts. However, Electronic Benefit Transfer (EBT) has since replaced check issuance, making the support component less visible.

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[5] More specifically, transitional Medicaid is provided for two years to families who are employed at the point their TFA benefits are discontinued (or who become employed within six months of losing eligibility for benefits) or who lose eligibility because of child support income. Under AFDC rules, transitional Medicaid coverage was available to families who received AFDC for at least three of the six prior months and lost eligibility for AFDC because of earned income.

Table 1.1

Connecticut's Jobs First Program

Comparison of Jobs First and AFDC Policies

Characteristic	Jobs First Policies	AFDC Policies
Time limit	21 months, with possibility of extensions	None
Benefit increase for children conceived while mother receives welfare	$50	Approximately $100
Earned income disregard (cash assistance)	All earned income disregarded as long as earnings are below federal poverty level	First 4 months of work: $120 plus 33% of earnings disregarded; months 4-12: $120 disregarded; after month 12: $90 disregarded; fill-the-gap budgeting
Earned income disregard (Food Stamps)	While family receives cash assistance, federal poverty level disregard applies	20% of gross earnings disregarded, in accordance with regular Food Stamp rules
Cash assistance eligibility for two-parent families	Nonfinancial eligibility rules are similar for single- and two-parent families	Two-parent families are subject to special nonfinancial eligibility criteria (e.g., principal wage earner must work less than 100 hours per month)
Asset limit for cash assistance eligibility[a]	$3,000	$1,000
Value of vehicle excluded in counting assets for cash assistance eligibility[a]	Up to $9,500 in equity value of one vehicle excluded	Up to $1,500 in equity value of one vehicle excluded
Medical assistance for families leaving welfare for work	Two years of transitional Medicaid; coverage beyond that point depends on eligibility for other programs	One year of transitional Medicaid; coverage beyond that point depends on eligibility for other programs
Child care assistance for families leaving welfare for work	Assistance provided as long as income is below 75% of state median	One year of transitional child care; assistance beyond that point depends on eligibility for other programs
Exemptions from employment-related mandates for recipients with young children	Parent exempt if caring for child under age 1 who was not conceived while mother received welfare	Parent exempt if caring for child under age 2
Child support rules	All child support passed through to custodial parent; first $100 a month disregarded in grant calculation	First $50 in child support passed through to custodial parent and disregarded in grant calculation
Sanctions for failure to comply with employment-related mandates	1st instance: grant reduced by 20% for 3 months; 2nd instance: grant reduced by 35% for 3 months; 3rd instance: grant canceled for 3 months	1st instance: adult removed from grant until compliance; 2nd instance: adult removed from grant for at least 3 months; 3rd instance: adult removed from grant for at least 6 months

SOURCE: Connecticut Department of Social Services policy materials.

NOTE: [a] Because cash assistance recipients are categorically eligible for Food Stamps, these asset rules effectively apply to Food Stamp eligibility while a family receives Temporary Family Assistance (TFA).

In addition to these rule changes, the state reduced basic cash assistance benefit levels by 6.5 percent when it implemented Jobs First (the grant reduction occurred in July 1995 and thus applies to both research groups).

The three main features of Jobs First are discussed in more detail below.

A. The Time Limit

The basic design of the Jobs First time limit is straightforward: Subject to exceptions (noted below), each month that a family receives cash assistance after entering the program counts toward the 21-month limit. (Months of assistance that the family may have received before entering Jobs First do not count.)[6] Once the 21-month limit is reached, the family's cash grant is discontinued; eligibility for Food Stamps and Medicaid is not directly affected by the time limit.

The time limit policy includes two types of exceptions:

- **Exemptions.** Families in which all adults are exempt from mandatory participation in employment-related activities are also exempt from the time limit;[7] months of assistance received while an exemption applies do not count toward the limit. Exemptions, which are often temporary, may be granted at any point after families enter Jobs First. The percentage of the statewide TFA caseload exempt from the time limit increased from about 26 percent in the spring of 1998 to 43 percent in August 1999.[8]

- **Extensions.** Recipients who reach the time limit may receive six-month extensions of their benefits if they have made a good-faith effort to find employment but have family income below the welfare payment standard (the maximum monthly grant for their family size).[9] (Table 1.2 shows the payment standard for three family sizes.) This type of extension may be granted when a recipient first reaches the time limit, at the end of an extension period, or when a recipient is initially denied an extension but later experiences an involuntary drop in income and seeks to return to TFA. Extensions can also be granted if

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[6] The time limit clock starts with the first full month of benefit receipt following enrollment.

[7] An adult recipient is exempt from mandatory participation if she or he is age 60 or over; caring for a child under age 1, if the child was not conceived while the parent received welfare; incapacitated or caring full time for an incapacitated household member; pregnant or postpartum if a physician determines that she is unable to work; a caretaker relative who is not included in the welfare grant; or unemployable. (Recipients are considered to be unemployable if they are age 40 or over, unemployed, have not completed grade 6, and have not worked for more than six consecutive months in the past five years.) Exemptions for unemployability are not determined until the participant has received benefits for 20 months.

[8] The percentage of cases exempt from the time limit has grown as the overall TFA caseload has declined and nonexempt cases have left the rolls in large numbers.

[9] A $90 work expense allowance is disregarded for each working person in calculating the monthly income of families reaching the time limit.

Table 1.2

Connecticut's Jobs First Program

Temporary Family Assistance (TFA) Payment Standard and Federal Poverty Level, by Family Size (1998)

	Family Unit Size		
Monthly Income Level	2	3	4
TFA payment standard	$443	$543	$639
Federal poverty level	$905	$1,138	$1,371

SOURCES: TFA payment standard information from Connecticut Department of Social Services; federal poverty level from 1998 U.S. Department of Health and Human Services poverty guidelines.

NOTE: These payment standards apply in both Manchester and New Haven. The standards diffe in some other areas of the state.

> there are circumstances beyond recipients' control that prevent them from working (even if they have not made a good-faith effort to find employment).[10] There is no limit on the number of extensions families may receive. As discussed in Chapter 3, a substantial number of recipients have received at least one extension. As of August 1999, about 23 percent of the statewide TFA caseload (and nearly 40 percent of the cases subject to the time limit) were in an extension.

Specific services are targeted to families whose cases are closed when the time limit is reached. Recipients whose cases are closed and whose income is above the payment standard may receive up to one year of rental assistance.[11] Families whose income is *below* the payment standard but whose cases are closed (because it is determined that the parent did not make a good-faith effort to find employment) are eligible for Safety Net services: Nonprofit organizations have been contracted to link these families with existing community services to prevent harm to children; if community resources are not available, the contracted agencies may provide vouchers to help the family pay for food, clothing, or shelter.

B. The Enhanced Earned Income Disregard

The Jobs First earned income disregard may be the most generous policy of its type implemented in any state. Table 1.2 shows the federal poverty level for three family sizes for 1998. As the table indicates, single parents with two children can earn up to $1,137 per month (one dollar below the poverty level) without losing any of their cash assistance or Food Stamps (assuming they have no other income). Figure 1.1 shows how many hours per week these parents could work at various hourly wage rates without losing their grant. For example, it shows that parents who earn $6.25 per hour can work 40 hours per week and have all of their earnings disregarded.

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[10] "Circumstances beyond one's control" are defined as "events that happen to the family which are of such magnitude that they reasonably prevent a mandatory recipient from working or working more hours when an extension is requested. Events include, but are not limited to: prolonged illness, disaster such as flood or fire, loss of housing, and domestic violence."

[11] Funding for this program is limited; thus, rental assistance is not available to all eligible families.

Figure 1.2 illustrates how the disregard affects working recipients' total income in two ways. First, it compares working recipients' total income under Jobs First with their income under the rules that apply to the AFDC group. For example, a parent with two children who works 20 hours per week at $6.25 per hour has dramatically higher total income — $364 more per month — under Jobs First than under AFDC. A parent who works 40 hours per week at the same wage has $688 more in total monthly income than under AFDC. (This difference is particularly significant because the AFDC group is subject to "fill-the-gap" budgeting rules, which provide a stronger work incentive than the standard AFDC rules that were in place in most other states.)[12]

Second, Figure 1.2 shows that parents have much more income if they work than if they do not work. As shown in the figure, a nonworking parent with two children would receive $790 per month in combined TFA and Food Stamp benefits. If she worked 20 hours per week, her total monthly income would rise by $716, counting the monthly value of the federal earned income credit (EIC).[13] (In reality, most families receive the EIC in a lump sum at tax time.) If she worked 40 hours per week, her income would rise by $1,286 per month compared with not working. These figures do not account for any added expenses the parent would incur by going to work (her child care would be subsidized while on welfare, but she might incur other costs).

Of course, the disregard helps parents only while they receive TFA. Parents who reach the time limit and have income over the payment standard will lose all of their cash assistance and probably some of their Food Stamp grant as well (this is discussed further in Chapter 3). Nevertheless, the disregard provides recipients with a substantial incentive to enter the workforce. Once working, they may be able to gain experience that will allow them to increase their hours and wages by the time they reach the time limit. Moreover, the large income supplement made possible by the disregard provides a cushion that might allow them to save some money or buy a more reliable car. Indeed, Jobs First also allows recipients to accumulate more assets and to own a more valuable car (relative to prior welfare rules) without losing eligibility for assistance.

In addition to its generosity, the Jobs First earned income disregard is also notable for its distinctive design. Most other states' disregards are structured so that recipients' benefits phase out gradually as their income rises. One common formula disregards a flat amount of monthly earnings and a percentage of any income above that amount (for example, $200 plus 50 percent of any remaining earnings). This more common approach avoids the "cliff" that exists in the Jobs First policy — under Jobs First, a recipient may retain her entire welfare grant if she earns one dollar below the poverty level but will lose her entire grant if she earns one dollar more — but may be considerably more difficult for recipients to understand. This is a critical point because a financial incen-

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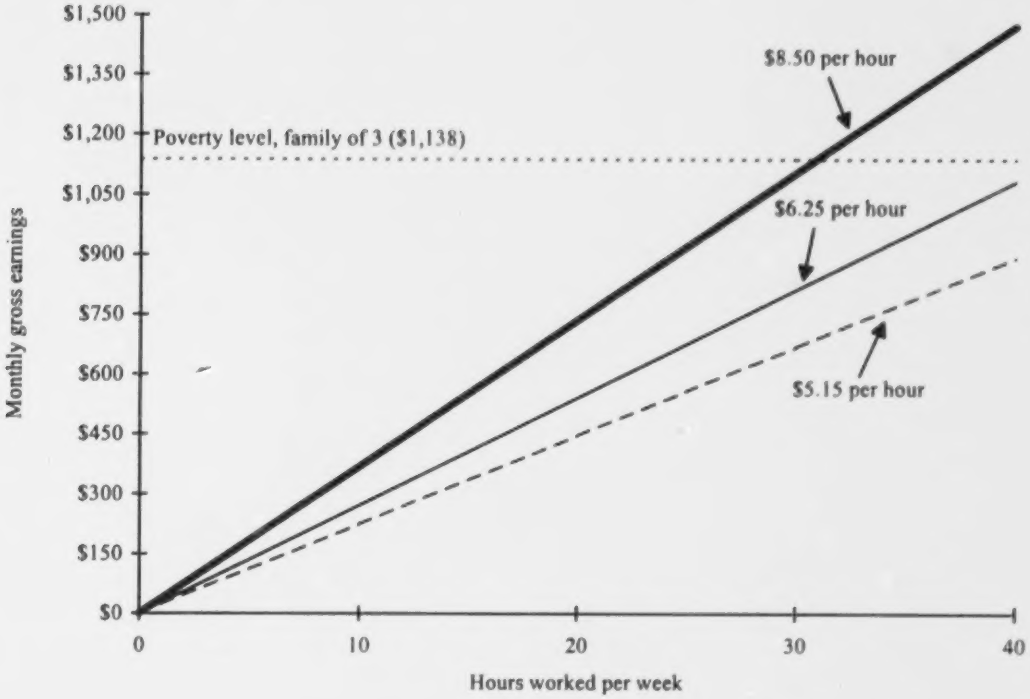
[12] Connecticut began using fill-the-gap budgeting in 1994. Under these rules, recipients' countable income is deducted from the need standard, which is higher than the payment standard, in calculating benefit amounts.

[13] This report uses feminine pronouns because a large majority of parents receiving TFA/AFDC are women.

Figure 1.1

Connecticut's Jobs First Program

Monthly Gross Earnings at Various Hourly Wage Rates in Relation to the Federal Poverty Level (1998), by Hours Worked per Week

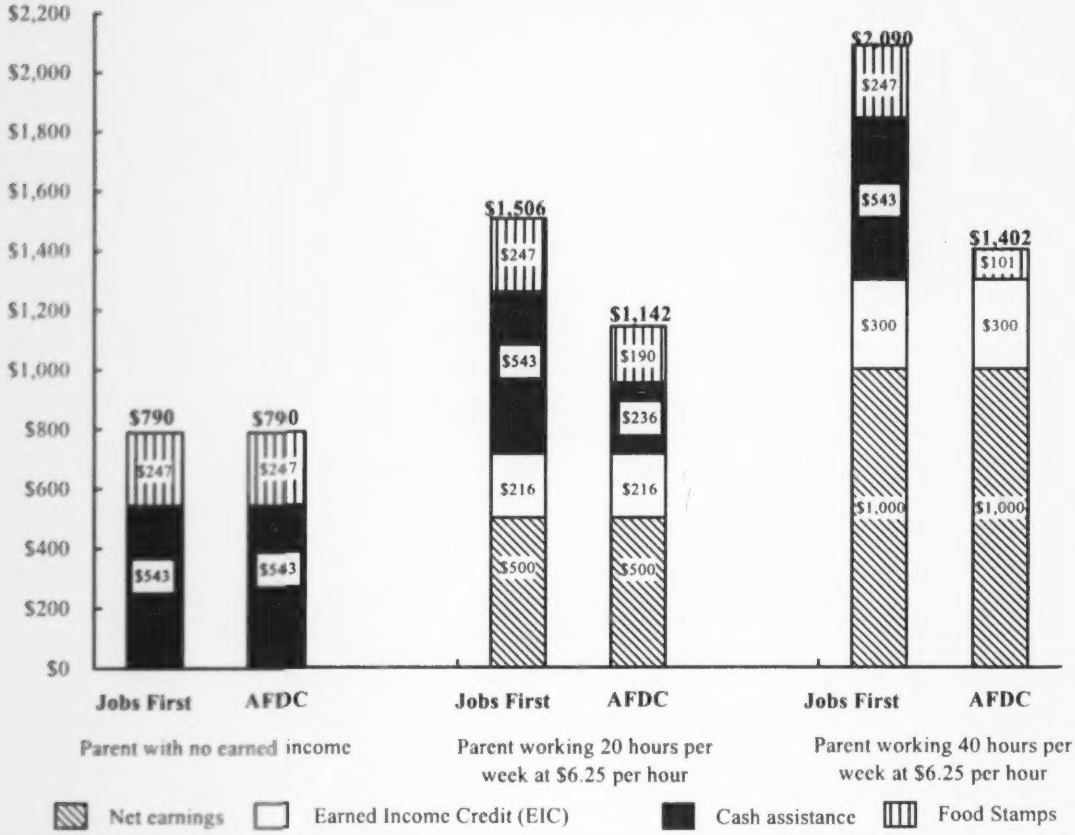


SOURCES: MDRC calculations using standard hourly wage data; federal poverty level from 1998 U.S. Department of Health and Human Services poverty guidelines.

Figure 1.2

Connecticut's Jobs First Program

Monthly Family Income at Selected Levels of Employment for a Parent with Two Children Under Jobs First and AFDC



SOURCES: MDRC calculations based on AFDC/TFA, Food Stamp, and federal and State of Connecticut income tax rules for June 1998.

NOTES: Calculations do not account for work-related expenses and assume the parent has no income from sources not shown (e.g., child support, Supplemental Security Income).

The Food Stamp calculation assumes a monthly rental expense of $366. This calculation disregards 70 percent of net income, which includes the TFA grant but excludes a $134 standard deduction and up to $250 of excess shelter costs. For clients in the Jobs First group, all earned income is disregarded. For clients in the AFDC group, 20 percent of earned income is disregarded.

The Jobs First cash assistance calculation disregards all earned income. The AFDC group cash assistance calculation disregards $120 in earned income (in accordance with rules for the 5th through 12th months of employment), and applies fill-the-gap budgeting rules.

The EIC amount reflects one-twelfth of the total annual credit, although most families receive the credit in an annual lump sum.

Monthly net earnings are calculated by subtracting applicable payroll taxes from gross earnings. Federal and state income taxes do not apply at these income levels.

Rounding may cause slight discrepancies in the calculation of sums.

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tive will be less likely to induce recipients to work if they do not understand it. The Jobs First policy was selected in large part because it is simple and straightforward to explain and administer.

C. "Work First" Employment Services

As noted earlier, Jobs First employment services are designed to move recipients quickly into jobs. Until July 1998, employment services were administered by DSS and generally operated by subcontracted service providers. Nearly all participants were required to begin by looking for a job, either on their own or through Job Search Skills Training (JSST), a group activity that teaches job-seeking and job-holding skills. Education and training were generally reserved for recipients who were unable to find a job despite lengthy upfront job search activities. In July 1998 the Connecticut Department of Labor (DOL) took over lead responsibility for providing employment services to cash assistance recipients; this transition is discussed further in Chapter 2.

The AFDC group is subject to Connecticut's pre-existing welfare-to-work program, which has broader exemption criteria and a stronger focus on education and training.

Jobs First group members who do not comply with employment services requirements and are found not to have "good cause" can be sanctioned by having their welfare grant reduced or temporarily canceled. A recipient's cash grant is reduced by 20 percent for three months in response to the first instance of noncompliance and by 35 percent for three months in response to the second instance. A third instance results in cancellation of the entire grant for three months. (The same penalties apply to recipients who quit their job without good cause or are fired for willful misconduct.)[14]

The penalty structure becomes much more severe after recipients reach the time limit and receive an extension. The first instance of noncompliance without good cause during an extension may result in permanent discontinuance of all cash assistance benefits. This is a critical point because by August 1999, 40 percent of the recipients subject to the time limit statewide were in an extension, and thus subject to the stricter rules.

Under AFDC, sanctions involve removing the noncompliant individual — generally the adult — from the grant calculation, rather than closing the entire case. This results in a grant reduction of about $100 (the percentage reduction is larger for smaller families).

III. The Jobs First Evaluation

The Jobs First evaluation was initially required as a condition of the federal waivers that allowed Connecticut to operate the program. Then, in 1997, Connecticut received enhanced federal funding from the U.S. Department of Health and Human Services to support continuation of their ongoing welfare reform evaluation. (The state later received a second federal grant to expand the study to examine Jobs First impacts for children.)

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[14] The length of the penalty for the second instance of noncompliance was six months until mid 1997. This same system of percentage sanctions also applied to noncooperation with child support enforcement mandates until mid 1997. Since that time, families who do not cooperate with child support requirements are ineligible for assistance until they comply.

The study has three major components:

- **Implementation analysis.** This component of the study examines how Jobs First is operated by staff in the research sites. It assesses whether Jobs First policies have translated into concrete changes in the day-to-day operations of the welfare system and identifies obstacles that have been encountered. This information is necessary in order to understand the impact results and may also help DSS identify ways to improve program performance.
- **Impact analysis.** This part of the study provides estimates of the changes that Jobs First generates in employment rates and earnings, rates and amounts of welfare receipt, family income, the extent of welfare dependency, child well-being, and other outcomes relative to outcomes under the welfare system that preceded it (as represented by the AFDC group).
- **Benefit-cost analysis.** This analysis uses data from the impact study, along with fiscal data, to compare the financial benefits and costs generated by Jobs First for both taxpayers and eligible families.

This report focuses on the implementation and impact analyses. Final impact results and benefit-cost results will be presented in the final report, scheduled for 2001. (A companion document will describe the program's impact for children.)

Several key features of the study design are worth mentioning. First, almost all of the results in this report are drawn from the two research sites. While these offices include a substantial share of the state caseload (29 percent) and represent two quite different environments, Jobs First may operate differently or have different impacts in other areas that were not studied. Moreover, because roughly three-fourths of the research sample is from the New Haven office, the overall results mostly reflect the implementation and impacts of Jobs First in that office.

Second, it is critical to note that unlike some earlier studies of welfare-to-work programs, this one does not compare Jobs First with a control group that receives no services. Rather, it compares Jobs First policies with the AFDC policies that were in place just before the program began. These policies already included some emphasis on employment and self-sufficiency and some employment-related services for welfare recipients. Thus, the study's impact analysis is measuring the effects of Jobs First over and above what was already achieved by earlier policies.

Third, as discussed in Chapter 2, although the study design has been well implemented, it seems likely that the behavior of the AFDC group has been influenced to some extent by the intense focus on welfare reform at the state and federal levels over the past few years. This suggests that the study may not capture the full impact of Jobs First.[15]

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[15] In addition, the study is not designed to measure whether Jobs First has affected the number of people who apply for welfare — a potentially important impact of any welfare reform policy.

IV. The State of Connecticut, the Research Sites, and the Jobs First Target Population

A. The State of Connecticut

Table 1.3 provides some basic information about the State of Connecticut and the research sites. Connecticut is mid-sized state with the nation's highest per capita income. Jobs First has been implemented in a healthy economic climate: Connecticut's unemployment rate was about equal to the national rate when Jobs First began, but has since dropped substantially below the national average (the national unemployment rate was 4.3 percent in December 1998).

Connecticut's basic cash assistance grant level — currently $543 a month for a family of three with no other income — is among the highest in the United States, but slightly lower than the grant levels in most nearby states.[16] The state's cash assistance caseload was just under 60,000 when Jobs First began, but had dropped to less than 30,000 by mid 1999. As shown in Figure 1.3, the caseload declined modestly from January 1995 through late 1997, a period when the national caseload fell by nearly a third. This partly reflects the fact that the Jobs First earned income disregard allowed many families to continue receiving assistance after they found a job. The caseload began to drop sharply when families started to reach the 21-month time limit in late 1997.

B. The Research Sites

DSS operates its programs through 15 regional offices, each serving a number of the state's 169 towns and cities. As noted earlier, the Jobs First evaluation focuses on two of these DSS offices: Manchester and New Haven. Table 1.3 provides some basic information about the two research sites, which were selected in part because they represent two quite different environments.

The New Haven regional office serves about 22 percent of the statewide TFA caseload — just under 6,700 cases in mid 1999 (down from about 10,600 cases in January 1996). The office covers 15 municipalities, but its caseload is heavily concentrated in the city of New Haven, the third largest city in the state. New Haven is one of the poorest cities in the United States; as Table 1.3 shows, 21 percent of the city's residents lived below the federal poverty line in 1990, and its median household income was far below the state median. Although New Haven's unemployment rate has declined substantially over the past few years, it has yet to reach the lower statewide levels.

The Manchester office (officially called a suboffice) serves a more suburban area near Hartford. The 15 municipalities served by the office accounted for about 1,800 TFA cases in mid 1999 (down from about 3,600 in January 1996), about 6 percent of the statewide caseload. Each of the three largest towns served by the office — Manchester, East Hartford, and Enfield — has a

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[16] The maximum grant for a family of three is $543 in both New Haven and Manchester, but ranges from $536 to $636 in other parts of the state. Other states with grant levels above $500 for a family of three include Alaska ($1,025), Hawaii ($712), Vermont ($639), Wisconsin ($628-$673), Massachusetts ($579), New York ($577-$703), Rhode Island ($554), New Hampshire ($550), Washington ($546), California ($538-$565), and Minnesota ($532).

Table 1.3

Connecticut's Jobs First Program

Selected Demographic and Economic Characteristics of the Two Jobs First Evaluation Research Sites and the State of Connecticut

Characteristic	Manchester[a]	New Haven[b]	State of Connecticut
Total population[c] (1996)	298,035	469,940	3,274,238
Demographic information on largest city/town in district[d]			
Population (1996)	49,430	123,893	n/a
Race/ethnicity (1990) (%)			
White, non-Hispanic	92.0	49.0	83.8
Black, non-Hispanic	3.7	35.0	7.9
Hispanic[e]	2.4	13.2	6.5
Other	1.9	2.8	1.8
Economic information on largest city/town in district[d]			
Median household income (1990) ($)	40,290	25,811	41,721
Unemployment rate (%)			
December 1995	5.4	6.4	5.4
December 1996	5.6	7.1	5.4
December 1997	3.9	5.3	4.2
December 1998	2.6	3.8	2.8
Poverty rate[f] (1990) (%)	3.9	21.3	6.0
Welfare caseload information for district			
Total active cash assistance cases			
January 1996	3,664	10,628	57,753
August 1999	1,826	6,654	29,750
Percent of state TFA caseload, August 1999 (%)	6.1	22.4	n/a

SOURCES: City/town and state-level demographic information, income data, and poverty rates from State of Connecticut, Department of Economic and Community Development Web site (www.state.ct.us/ecd/research); U.S. Department of Commerce, Bureau of the Census Web site (www.census.gov); and U.S. Department of Commerce, Bureau of Economic Analysis Web site (www.bea.gov). Unemployment rates and employed population from the U.S. Department of Labor, Bureau of Labor Statistics Web site (www.stats.bls.gov). Welfare caseload data from Connecticut Department of Social Services.

NOTES: N/a = not applicable.

[a] The Manchester district office serves the municipalities of Andover, Bolton, East Hartford, East Windsor, Ellington, Enfield, Glastonbury, Hebron, Manchester, Marlborough, Somers, South Windsor, Stafford, Tolland, and Vernon.

(continued)

Table 1.3 (continued)

[b]The New Haven district office serves the municipalities of Ansonia, Bethany, Branford, Derby, East Haven, Hamden, Milford, New Haven, North Branford, North Haven, Orange, Seymour, Shelton, West Haven, and Woodbridge.

[c]"Total population" of the research sites is the population of those municipalities served by the corresponding Department of Social Services (DSS) offices.

[d]Manchester town is the largest municipality in the area served by the Manchester DSS office. New Haven city is the largest municipality in the area served by the New Haven office. East Hartford and Enfield, in the district of Manchester, have populations only slightly smaller than the population of Manchester; populations (1996): East Hartford = 47,985 and Enfield = 45,187. The second largest city/town in the New Haven district is West Haven; population (1996) = 52,172.

The demographic and economic information on East Hartford differs considerably from that for Manchester in the following ways: race/ethnicity distribution (1990): white, non-Hispanic = 83.4%; black, non-Hispanic = 8.1%; Hispanic = 6.0%; other = 2.5%; per capita income (1996) = $25,416; unemployment rate (December 1995) = 6.9%, (December 1996) = 7.0%, (December 1997) = 5.2%; poverty rate (1990) = 5.4%. Enfield's demographic and economic information is comparable to that for Manchester.

[e]Hispanic persons may be of any race.

[f]Poverty rate is defined as the total percentage of persons below the federal poverty level, based on 1989 reported income.

population of nearly 50,000, although about 40 percent of the office's TFA caseload is concentrated in East Hartford. While Manchester's economic statistics have largely mirrored those of the state as a whole for the past three years, East Hartford has experienced less favorable conditions. For example, in late 1996, when Manchester's unemployment rate closely matched Connecticut's average rate, unemployment in East Hartford was considerably higher (7.0 percent).

C. The Jobs First Target Population

As discussed earlier, the Jobs First evaluation is estimating the program's impact by comparing the experiences of two groups of people: the Jobs First group and the AFDC group. Applicants for cash assistance between January 1996 and February 1997 in either of the research sites were assigned to one or the other group when they submitted an application at the DSS office. Individuals who were already receiving welfare when Jobs First began were randomly assigned when they came to the office for an eligibility redetermination. For individuals assigned to the Jobs First group and not exempt, the 21-month time limit started with the first full month of benefits received after random assignment.

Just before individuals were assigned to the groups, staff completed a one-page Background Information Form (BIF) through a brief interview with each client. Table 1.4 shows selected information obtained from the BIFs for the 4,642 individuals who are part of this report's analysis and for whom a BIF was completed (the figures include both the Jobs First and AFDC groups).[17] These data provide a snapshot of individuals' characteristics at the point they entered the study.

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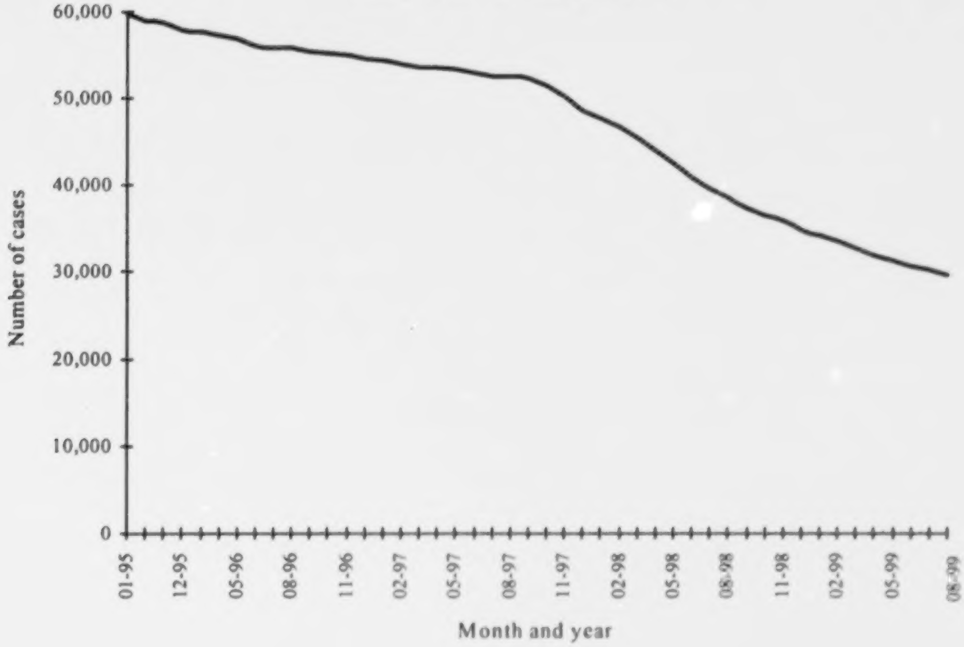
[17] The table does not include 161 cases for whom the BIF is missing.

Figure 1.3

Connecticut's Jobs First Program

Total AFDC/TFA Caseload for the State of Connecticut: January 1995 - August 1999



SOURCE: Connecticut Department of Social Services, "Temporary Family Assistance Program Summary Report."

The Jobs First research sample does not include the entire welfare population in Manchester and New Haven. To control the workload for staff, only half of those who applied for benefits between January and July 1996 went through the random assignment process; the others were enrolled in Jobs First, but are not part of the study.[18] In addition, several thousand applicants and recipients who had been previously randomly assigned for an earlier study of Connecticut's prior welfare reform were not assigned again; they too were enrolled in Jobs First.

At the same time, it is important to note that the research sample represents a broad range of welfare applicants and recipients. In many other studies, some categories of cases — such as those who are likely to be exempt from the policy being tested — are excluded from the study and do not go through the random assignment process. In Connecticut, decisions about exemptions were made after people had been assigned to the Jobs First group, which means that some

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[18] Staff selected the applicants who would enter the study through a random process.

Table 1.4

Connecticut's Jobs First Program

Selected Characteristics of Sample Members at the Time of Random Assignment, by Site

Characteristic	Manchester	New Haven	Full Sample
Demographic characteristics			
Age (%)			
Under 20	9.0	8.5	8.6
20-24	20.6	20.7	20.7
25-34	44.6	40.3	41.3
35 or over	25.9	30.6	29.4
Average age (years)	29.9	30.9	30.7
Race/ethnicity (%)			
White, non-Hispanic	64.9	28.8	37.6
Black, non-Hispanic	20.3	45.1	39.1
Hispanic	13.4	25.3	22.4
Other	1.5	0.7	0.9
Family status			
Marital status (%)			
Never married	57.4	68.4	65.7
Married, living with spouse	1.3	1.3	1.3
Married, living apart	16.4	13.0	13.8
Separated	2.4	6.5	5.5
Divorced	21.7	9.6	12.5
Widowed	0.8	1.2	1.1
Number of children (%)			
None[a]	11.8	9.2	9.8
1	42.6	40.1	40.7
2	27.7	26.8	27.0
3	12.6	14.9	14.3
4 or more	5.3	9.0	8.1
Average number of children	1.6	1.8	1.7
Youngest child's age (%)			
2 or under	38.0	37.2	37.4
3-5	22.6	23.9	23.6
6 or and over	39.5	39.0	39.1
Employment status			
Ever worked (%)	95.8	85.9	88.3
Ever worked full time for six months or more for one employer (%)	64.7	55.0	57.4
Any earnings in past 12 months (%)	62.3	42.6	47.9
Employed at random assignment (%)	28.3	21.1	22.8

(continued)

Table 1.4 (continued)

Characteristic	Manchester	New Haven	Full Sample
Educational status			
Highest degree/diploma earned (%)			
GED[b]	18.4	9.1	11.4
High school diploma	45.0	49.0	48.0
Technical/two-year college degree	5.6	4.2	4.6
Four-year (or more) college degree	1.8	1.9	1.9
None of the above	29.3	35.8	34.2
Highest grade completed in school (average)	11.4	11.2	11.2
Enrolled in education or training during the past 12 months (%)	16.9	22.3	21.0
Public assistance status			
Aid status (%)			
Applicant	47.7	35.4	38.4
Recipient	52.3	64.6	61.6
Total prior AFDC receipt[c] (%)			
None	23.4	17.0	18.5
Less than 2 years	20.9	24.1	23.3
2 years or more but less than 5 years	23.4	21.9	22.3
5 years or more but less than 10 years	20.7	20.3	20.4
10 years or more	11.7	16.7	15.5
Resided as a child in a household receiving AFDC (%)	22.0	26.4	25.3
Housing status			
Current housing status (%)			
Public housing	5.4	12.8	11.0
Subsidized housing	25.4	23.7	24.1
Emergency or temporary housing	1.9	1.0	1.2
None of the above	67.3	62.5	63.7
Sample size	1,129	3,513	4,642

SOURCE: MDRC calculations using Background Information Form data.

NOTES: A total of 161 sample members with missing Background Information Forms are not included in the table.

Invalid or missing values are not included in individual variable distributions.

Rounding may cause slight discrepancies in the calculation of sums and differences.

[a] This category includes sample members who were pregnant with their first child at the time of random assignment.

[b] The General Educational Development (GED) certificate is given to those who pass the GED test and is intended to signify knowledge of basic high school subjects.

[c] This refers to the total number of months accumulated from one spell or more on an individual's own or spouse's AFDC case. It does not include AFDC receipt under a parent's name.

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members of the Jobs First group have not been subject to the time limit or employment services mandates (see Chapter 2).[19] In addition, because random assignment of applicants took place fairly early in the TFA application process — before staff knew whether the application would be approved — some members of each research group never received cash assistance during the follow-up period.

The last column of Table 1.4, which presents figures for both research sites combined, shows that the average age of single-parent sample members is just over 30; more than one-fourth of the clients were under 25 when they entered the study. The sample members are overwhelmingly female (not shown in the table).

Most of the sample members had small families — more than three-fourths had two children or fewer when they entered the study — but more than half had at least one preschool child at that point.

The data in Table 1.4 also provide some evidence about the magnitude of the challenge involved in helping these individuals find and keep a job. On the one hand, a very large proportion of the sample members had at least some work experience. However, more than 40 percent had never worked full time for a single employer for six months, and less than 20 percent had earned $5,000 or more in the year prior to entering the study (not shown in the table). More than half the sample members had at least a high school diploma or equivalent, but very few had earned a two- or four-year college degree.

Most of the sample members had received welfare for a substantial amount of time before entering Jobs First: More than half had received assistance for two years or more. But only about one-fourth grew up in a household that received welfare.

The data also show some important differences in the characteristics of the target group in Manchester and New Haven, the most striking of which is in the racial/ethnic composition: In Manchester, the caseload is about two-thirds white, non-Hispanic, while in New Haven, it is about half black, non-Hispanic, and one-fourth Hispanic.

The New Haven clients are also likely to be somewhat less employable: On average, they have less work experience and lower levels of education. This may be related to the fact that a larger proportion of New Haven sample members were already receiving welfare when they entered the study; in Manchester, about half were randomly assigned when they were applying for welfare.

V. About This Report

A. Data Sources

This report draws data from several sources to describe the implementation and impacts of Jobs First:

- **Field research.** MDRC staff periodically visit the Manchester and New Haven DSS offices, interviewing line staff, supervisors, and managers and observing program activities. Researchers have also visited the local Department of Labor and Regional Workforce Development Board offices, as well as the agencies that administer the Safety Net program. The most recent visits took place in summer 1999.

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[19] One category — so-called child-only cases in which there is no adult who is counted in the grant calculation — has been excluded from the analysis because these cases are likely to be permanently exempt. These include cases in which the children are being cared for by non-needy relatives, cases in which the parent is an illegal immigrant and the children are U.S. citizens, and others.

- **Baseline data.** As discussed earlier, almost all Jobs First and AFDC group members completed a one-page Background Information Form when they entered the study.
- **Unemployment insurance (UI) records.** These data show each sample member's earnings in jobs covered by Connecticut's UI system for each calendar quarter; the data are reported by employers. The data used in this report cover the period from January 1994 (two years before the first random assignment) through December 1998.[20]
- **Public assistance records.** Data from the Connecticut Eligibility Management System (EMS) provide cash assistance and Food Stamp payment amounts for each sample member for each month. These data cover the period from January 1994 through March 1999. EMS also provides information on exemptions, sanctions, and other outcomes for all Jobs First group members. In addition, MDRC reviewed on-line EMS case narratives for a subsample of members to obtain detailed information for the analysis of time limit outcomes presented in Chapter 3.
- **Interim Client Survey.** Just under 800 Jobs First and AFDC group members were interviewed by a survey subcontractor in mid to late 1998, approximately 18 months after each respondent's date of random assignment. The survey achieved an 80 percent response rate (that is, 80 percent of those targeted for the survey were located and interviewed). All respondents answered a core set of questions about employment, job characteristics, income, participation in employment-related activities, and other issues. Those with a child between 18 and 36 months old answered an additional set of questions about child care arrangements and the well-being of that child (the young child module). Respondents with a child between 3 and 9 years old (but no child between 18 and 36 months old) received a separate set of questions focused on the well-being of that child (the older child module). Two teams of researchers from Yale University and the University of California are taking the lead in analyzing these child-focused modules; the results are being published under separate cover (see Appendix A).
- **Staff surveys.** In mid 1997, MDRC administered written surveys to nearly all DSS staff who worked extensively with Jobs First and AFDC group members in the research sites. In all, 123 workers completed surveys.[21] The results of these surveys were discussed in detail in MDRC's 1998 report and are mentioned briefly here.

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[20] There is a lag of roughly six months in employer reporting to the UI system. Thus, the fourth quarter of 1998 was the last quarter for which complete data were available when this analysis was conducted.

[21] The response rates and numbers of completed interviews are as follows: Manchester case maintenance workers: 74 percent (n=17); Manchester intake workers: 100 percent (n=10); Manchester employment services workers: 100 percent (n=6); New Haven case maintenance workers: 98 percent (n=60); New Haven intake workers: 75 percent (n=15); New Haven employment services workers: 100 percent (n=15).

- **Post-time limit survey.** In a separate but related study, a subcontractor to MDRC administered two brief surveys to roughly 450 people in six districts (including Manchester and New Haven) whose benefits were discontinued at the time limit. The surveys were administered three and six months after the cases closed. The results are described in two reports previously issued by MDRC and are discussed briefly in this report.[22] In addition, approximately 30 members of the Jobs First group whose benefits were discontinued at the time limit were interviewed in depth about 12 months after that point.

B. Samples and Time Frame for the Analysis

This report describes the implementation of Jobs First through mid 1999, when the final site visits were conducted. Thus, it covers roughly three and a half years of program operations. However, the follow-up period for the main impact analysis is two and a half years.

As shown in Figure 1.4, the *full sample* for this evaluation includes 4,803 single parents who were randomly assigned between January 1996 and February 1997.[23] In order to track sample members for as much time as possible, given the available data, the impact analysis in this report is based mostly on the *early cohort:* 2,140 individuals who were randomly assigned between January and June 1996. As discussed in Appendix B, the baseline characteristics of the early cohort differ in some ways from those of the later enrollees. However, as shown in Appendix C, impact results for the early cohort and the full sample are similar through the first two years of follow-up.

For the impact analysis, it is important to follow each sample member for the same length of time, starting with her/his date of random assignment. This means that the follow-up period includes different calendar months for each sample member and that the length of the follow-up period for analyses is determined by the amount of data available for latest-enrolling sample members in the early cohort — in this case, two and a half years, or 10 quarters (see sample member #2 in Figure 1.5).[24] Thus, even though the last date covered by the UI data is more than a year after the first recipients reached the time limit, the report's main impact analysis extends for only about nine months after a recipient could have reached the time limit.

Some parts of the impact analysis focus on subgroups of the full sample. Although the available follow-up time for the full sample is shorter than that for the early cohort (8 quarters rather than 10 quarters), the full sample is relied on for subgroup analyses because sample sizes of subgroups of the early cohort would be too small to generate reliable impact estimates. Im pacts are estimated for subgroups defined by case status at random assignment (welfare applicants versus recipients), for those facing serious barriers to employment, and by welfare office (Manchester and New Haven).

Part of the analysis of time limit outcomes in Chapter 3 focuses on a subset of the early cohort — the 353 Jobs First group members who received 21 countable months of TFA (that is, reached the time limit) by March 1998. This group is referred to as the *time limit sample*. As shown in Figure 1.4, 100 members of the time limit sample — *the time limit subsample* — were randomly selected for in-depth analysis using EMS on-line case narratives.

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[22] Hunter-Manns et al., 1998; Hunter-Manns and Bloom, 1999.

[23] A total of 6,115 people were randomly assigned. However, four categories of people are excluded from the analysis: 387 two-parent cases; 677 cases that did not include an adult recipient at the point of random assignment; 240 cases that were randomly assigned in error; and 8 cases for which no Social Security number was collected at random assignment.

[24] Cash assistance and Food Stamp payment data are available beyond December 1998. However, the data are generally reported only through December 1998 in order to match the follow-up period for the UI wage records. In addition, for analyses involving the full sample, the follow-up period is one quarter shorter for the very small number of people randomly assigned in 1997.

Figure 1.4

Connecticut's Jobs First Program

Samples and Subsamples Used in the Analysis

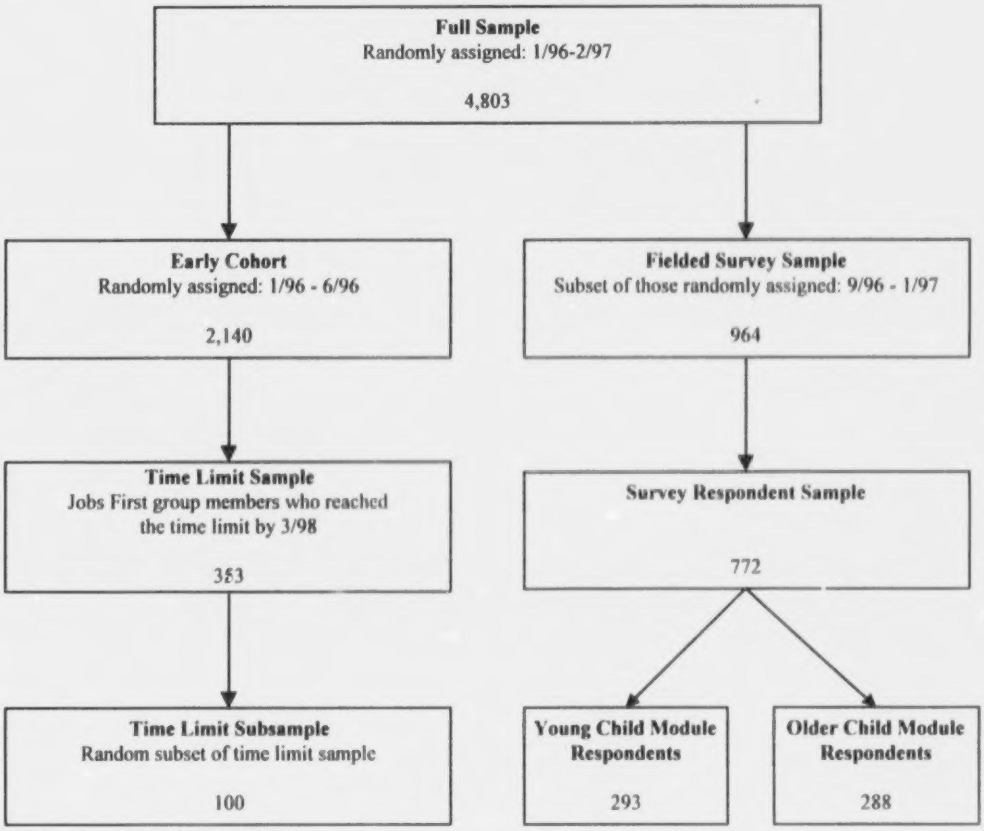
Full Sample
Randomly assigned: 1/96-2/97
4,803
Early Cohort
Randomly assigned: 1/96 - 6/96
2,140
Fielded Survey Sample
Subset of those randomly assigned: 9/96 - 1/97
964
Time Limit Sample
Jobs First group members who reached the time limit by 3/98
383
Survey Respondent Sample
772
Time Limit Subsample
Random subset of time limit sample
100
Young Child Module Respondents
293
Older Child Module Respondents
288

Figure 1.4 also illustrates the derivation of the sample for the Interim Client Survey. The *fielded survey sample* (n=964) was selected from among the Jobs First and AFDC group members who were randomly assigned near the end of the sample intake period — between September 1996 and January 1997.[25] The *survey respondent sample* includes the 772 members of the fielded sample who were located and interviewed; of these, 293 respondents completed the young child module and 288 completed the older child module (as noted earlier, the results of these modules are described under separate cover).

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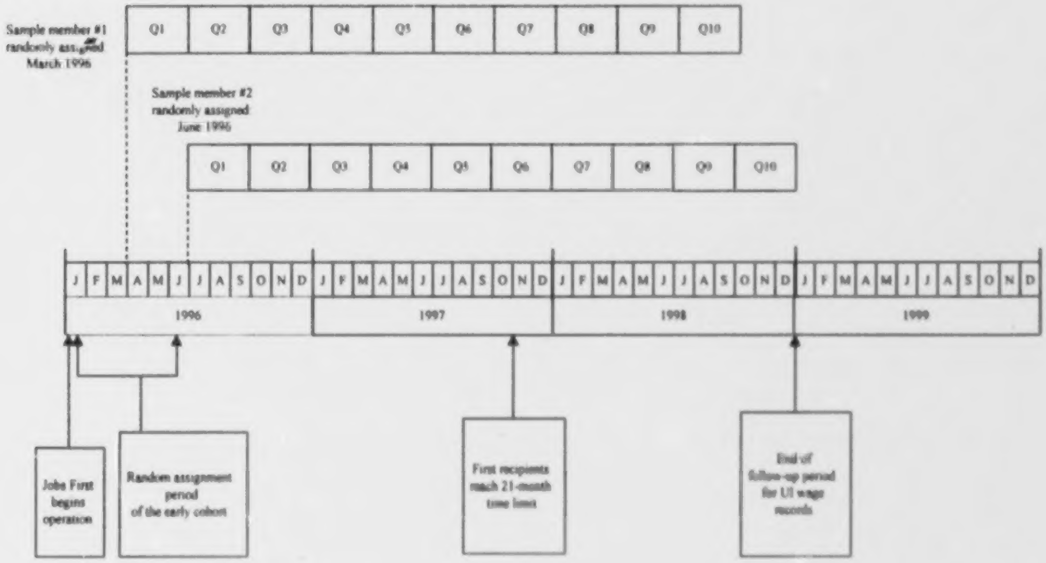
[25] This means there is no overlap between the early cohort and the survey sample (see Appendix B for further discussion).

Figure 1.5

Connecticut's Jobs First Program

Random Assigment Periods and Follow-Up for This Report


Sample member #1
randomly assigned
March 1996
Q1
Q2
Q3
Q4
Q5
Q6
Q7
Q8
Q9
Q10
Sample member #2
randomly assigned
June 1996
J F M A M J J A S O N D
1996
1997
1998
1999
Jobs First begins operation
Random assignment period of the early cohort
First recipients reach 21-month time limit
End of follow-up period for UI wage records

When selecting individuals for the fielded survey sample, MDRC included all Jobs First and AFDC group members randomly assigned during the target period who had at least one child under 18 months old at the time of random assignment (these children were between 18 and 36 months old when the interview took place), plus a random subset of all other people randomly assigned during the period. All respondents who had a child between 18 and 36 months old when interviewed answered the questions in the young child module.[26] Because the survey sample includes a disproportionate number of people with very young children, analyses based on the full survey sample are weighted so that they represent average outcomes for all sample members randomly assigned during the target period.

C. The Organization of the Report

After this introductory chapter, Chapter 2 describes the implementation of Jobs First during the pre-time limit period — the period before sample members reached the time limit. Chapter 3 focuses on the time limit itself, discussing how quickly people reach the time limit and what happens when they do so. Chapter 4 examines the impacts of Jobs First on employment, earnings, public assistance receipt, and other outcomes by comparing outcomes for the Jobs First and AFDC groups.

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[26] A respondent who gave birth within 18 months after random assignment would have had a child between 18 and 36 months old when the survey was administered.

Chapter 2

The Implementation of Jobs First in the Pre-Time Limit Period

In order to interpret the impacts of Jobs First on employment, earnings, welfare receipt, and other outcomes, it is important first to understand how the program has operated in the research sites and, specifically, the key ways in which Jobs First has differed from AFDC during the study period, both on paper and in practice.

In assessing this "treatment" difference, it is useful to divide the follow-up period into two phases. During the first phase — before recipients reached the time limit — the key differences mostly related to eligibility rules (for example, the enhanced earned income disregard), requirements, employment and other services, and the messages that staff sent to recipients. After that point, the differences changed, as some Jobs First group members reached the time limit and had their welfare grants were discontinued.[1]

This chapter describes the main differences between Jobs First and AFDC in the research sites in the pre-time limit period. Chapter 3 focuses on the implementation of the Jobs First time limit itself and the post-time limit period. (Many of the issues discussed in this chapter are also relevant in the post-time limit period for recipients who receive extensions.)

After a brief summary, the second section of the chapter provides background information on the implementation context and the institutional structure and staffing of Jobs First and AFDC. The third section discusses the welfare system's messages to recipients, focusing on the intended message, on factors that affected the system's ability to transmit the message, and on what recipients actually heard. The fourth and fifth sections of the chapter focus on employment-related services and other services and assistance. The final section provides some information about which aspects of Jobs First most influenced recipients' behavior.

I. Summary

Data from surveys of recipients and staff and from field visits indicate that the key features of Jobs First were put in place in Manchester and New Haven and that Jobs First differed from AFDC in important ways. Recipients in the Jobs First group were informed about the key program features — the time limit and the enhanced earned income disregard — and generally heard a more employment-focused message from DSS staff than did members of the AFDC group. Jobs First group members were also more likely to participate in employment-related activities, particularly those focused on rapid job placement. Finally, systems were put in place to track recipients' time limit clocks and apply the new Jobs First eligibility rules and incentives.

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[1] These two phases do not correspond neatly to specific stages of the follow-up period. The first 21 months of the follow-up period clearly represent the pre-time limit period because no one reached the time limit during that time. But many people remained in the pre-time limit period after month 21 because they did not receive benefits continuously and thus had not yet reached the time limit. In addition, it is important to distinguish between the pre-time limit period in the evaluation's follow-up period and the pre-time limit period in the operational life of Jobs First. The former refers to the period in each individual's history before he or she reached the time limit, while the latter refers to the *calendar* period before anyone reached the time limit (that is, before November 1997).

At the same time, owing to start-up problems and specific features of the Jobs First design, most of the program's main components were not implemented very intensively. For example, while most recipients were informed about the time limit, the enhanced disregard, and other program features at the point of enrollment, there was limited contact between recipients and staff in the following months, and thus relatively few opportunities to reinforce the message. Similarly, most recipients were referred to job search activities shortly after they enrolled, but their subsequent participation in these activities was not closely monitored. Thus, the study's results probably represent a conservative estimate of the model's potential.

II. Background and Context

This section discusses some of the key challenges that the Department of Social Services (DSS) faced in implementing Jobs First and provides background information about the organizational structure and staffing of Jobs First and AFDC in the research sites.

A. Challenges in Implementing Jobs First

As noted in Chapter 1, to a large extent the study is examining the implementation and impacts of the program during its start-up period. While all new programs can expect to experience start-up problems, such issues are especially likely with a program such as Jobs First, which required profound changes in the mission and operations of Connecticut's welfare system. For example, DSS needed to shift from a relatively small-scale, largely voluntary welfare-to-work program focused on education and training to a much larger, mandatory program with a strong focus on rapid employment. Similarly, welfare eligibility staff were expected to explain the new policies and encourage their acceptance, and, more generally, to shift their main emphasis from income maintenance to helping recipients move toward self-sufficiency.

Adding to the challenge was the implementation schedule: Unlike many other early state welfare reforms, Jobs First was implemented statewide from its inception, and with little time for advance planning. Only about six months elapsed between the date that the program was approved by the legislature and the date that it was implemented throughout the state. Moreover, Jobs First was the second major welfare reform program implemented in Connecticut in a two-year period, which meant that managers and staff needed to master two major sets of policy changes in a short period.[2]

Finally, Jobs First has been implemented in a period of rapid change in Connecticut's social welfare programs. In the past few years, the state has implemented a Medicaid managed care initiative and a new children's health insurance program, privatized the administration of its child care programs, begun to issue welfare benefits electronically, implemented an "upfront diversion" program for welfare applicants, and shifted responsibility for welfare employment programs from DSS to the Connecticut Department of Labor (DOL). Many of these initiatives have consumed the time and energy of the same managers and staff who are responsible for Jobs First.

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[2] The earlier initiative, A Fair Chance, was implemented in late 1994, before the current governor took office.

B. Institutional Structure

DSS is the key organizational player for both the Jobs First and AFDC groups. The department is responsible for administering AFDC/TFA, Food Stamps, Medicaid, social services, and child support enforcement. Although Connecticut's welfare system is state-administered, meaning that key policies are generally the same across the state, local managers exercise some discretion over the specifics of program implementation.

There have been two major changes in the administration of key programs since Jobs First began. First, in mid 1998, responsibility for providing employment-related services to cash assistance recipients (including both Jobs First and AFDC group members) was shifted from DSS to DOL.[3] Up to that point, employment services had been provided by various organizations (including DOL) working under contract to DSS, and designated DSS staff served as employment services case managers. Since the shift, employment services have been provided by DOL, Regional Workforce Development Boards (RWDBs), and their contractors.[4] This network of agencies is known as the CTWorks system. Although critical, this change occurred near the end of the follow-up period for this report. Thus, almost all of the quantitative results reflect the period when DSS had direct responsibility for employment services.

Second, in September 1997, DSS subcontracted administration of the Child Care Assistance Program (CCAP) to MAXIMUS, a private, for-profit company. CCAP serves both families who receive public assistance and low-income families who do not receive assistance. MAXIMUS verifies parents' eligibility for child care assistance and issues subsidy payments. Infoline, a toll-free telephone information service, assists parents in finding a child care provider.

In addition to these agencies, a partnership of the United Way of Connecticut and the Connecticut Council of Family Service Agencies (CCFSA; an association of 29 private, nonprofit agencies) has been contracted by DSS to administer the Safety Net and Individual Performance Contract (IPC) programs. They are discussed further below and in Chapter 3.

C. Staffing

Within DSS, the key staff who interact with Jobs First and AFDC group members are welfare eligibility workers, who are responsible for verifying families' eligibility for assistance, calculating benefit amounts, and transmitting the Jobs First message. In both Manchester and New Haven, there are two different types of eligibility workers. Specialized intake staff process applications for public assistance and describe Jobs First to applicants. Once cases are approved, they are assigned to a separate group of workers, previously called case maintenance workers and now called Family Independence Representatives (FI-Reps).

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[3] In 1997, the legislature required DSS and DOL to establish a memorandum of understanding under which DSS retained overall responsibility for meeting federal work participation rates, but employment services were delivered by DOL or the Regional Workforce Development Boards. The new structure took effect on July 1, 1998.

[4] Eight Regional Workforce Development Boards were established by the Connecticut legislature in 1992, one in each of the state's service delivery areas. The boards (and their precursors, which were known as Private Industry Councils) are responsible for coordinating and delivering employment and training services funded under the federal Job Training Partnership Act (JTPA), which was replaced by the Workforce Investment Act (WIA) in 1998. Business members must constitute over one-half of the membership of each board. Under JTPA, the RWDBs provided some services directly and contracted for others. Under WIA, they will generally be unable to provide direct services.

As of mid 1999, there were 11 FI-Reps in the Manchester office and 40 in New Haven. FI-Reps handle only cases receiving cash assistance, though they are also responsible for administering Food Stamps and Medicaid for these families. In Manchester, each FI-Rep is responsible for approximately 200 cases; in New Haven, worker caseloads range from about 120 to 150.[5]

In Manchester, each case maintenance worker's or FI-Rep's caseload includes both Jobs First and AFDC members. In New Haven, a group of case maintenance workers was designated to handle AFDC group cases beginning in 1997 in order to help maintain the distinction between the groups. However, this practice ended in mid 1998 when the FI-Rep position was created; since that time, recipients in both groups have been represented in each FI-Rep's caseload.

Until mid 1998, a separate group of DSS staff members in each office were responsible for assigning recipients to employment activities, monitoring their compliance, and administering the "conciliation" process when they failed to comply with program requirements. This position was phased out when responsibility for employment-related services was transferred to DOL. Currently, DOL and RWDB staff are responsible for assigning Jobs First and AFDC group participants to activities, monitoring attendance, and directly providing job search and job development services. Other agencies, working under contract to the RWDBs, provide employment and training services. FI-Reps conduct an initial assessment (discussed below), refer recipients to DOL, and handle the conciliation and sanctioning processes when recipients fail to comply with employment-related mandates.

A separate group of DSS staff members — known as investigators — handle the initial stages of the child support enforcement process: locating noncustodial parents and establishing paternity and support orders. The support enforcement unit of the Superior Court is responsible for enforcing existing orders.

Finally, both DSS offices have units of social workers who provide crisis intervention assistance for recipients facing homelessness or other serious problems.

In New Haven, staff are organized in geographically based teams. Four teams work with families residing in New Haven (the teams are not geographically based within the city) and two others handle specific outlying towns. Each team consists of seven or eight FI-Reps, two DSS social workers, and DOL and RWDB liaisons.

III. The Message

Jobs First's ability to raise employment rates or produce other impacts during the pre-time limit period depends heavily on communication. At a general level, the message that recipients hear from the welfare system may influence their behavior. DSS sought to change the welfare system's main message from one focusing on income maintenance to one focusing on moving toward self-sufficiency.

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[5] In New Haven, cases that are exempt from the time limit for an extended period are shifted from FI-Reps to traditional case maintenance workers.

More specifically, two of the three main program features — the time limit and the earned income disregard — cannot generate all of their desired behavioral changes unless recipients are aware of and understand the policies. For example, the disregard would "work" in a mechanical sense even if no one knew it existed: EMS would disregard earned income according to the rules. But the disregard aims not only to reward recipients who work, but also to encourage recipients who would not otherwise have got a job to take this step. If no one does so, the disregard will mostly provide additional welfare benefits (and income) to people who would have worked anyway.[6]

Similarly, it would be possible to track recipients' months of assistance and call them in for exit interviews (discussed in Chapter 3) as they approach the time limit without informing them about the limit. But the time limit is intended to spur recipients (and the system) to focus on self-sufficiency well before month 21, and its ability to do so depends on whether and how staff describe it to recipients.

For these reasons, it is critical to understand both what information Jobs First group members received from staff about the new policies and what kinds of general messages were transmitted to recipients in both groups.

A. The Intended Jobs First Message

The central message that DSS sought to convey to Jobs First group members is straightforward: "Get a job." This message can be strengthened and reinforced by "marketing" the time limit (to convey a sense of urgency) and the disregard (to convince recipients that work would improve their financial situation) and by mandating participation in work first employment services. In addition, to reinforce the message that income maintenance issues are no longer the most critical concern, employed Jobs First group recipients are not required to file monthly income reports (these reports are less critical because recipients' grant amounts are not affected by their earnings unless they have above-poverty-level earnings).

It is important to note that the AFDC group may also receive an employment-focused message to some extent because Connecticut, like most other states, operated welfare-to-work programs for many years before Jobs First began. However, as discussed below, participation mandates have not been strongly enforced for the AFDC group in either office.

B. Transmitting the Message

As discussed earlier, welfare eligibility workers — intake workers, case maintenance workers and, later, FI-Reps — are primarily responsible for transmitting the Jobs First message. Several factors have facilitated this effort. For example, the strong labor market has made job-finding feasible for most recipients. In addition, unlike many other types of financial work incentives, the Jobs First earned income disregard is both generous and straightforward; in other words, it should be fairly easy for staff to persuade recipients that they will be better off working. The structure of the disregard also facilitates a reduced emphasis on income maintenance issues, since recipients' earnings generally do not affect the size of their welfare grant. Finally, DSS has generally succeeded in adapting EMS, the statewide computer system, to track Jobs First group members' time limit status and administer the appropriate eligibility rules for recipients in both groups.

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[6] The additional income might generate improvements in employment retention, child outcomes, or other impacts.

At the same time, several factors have affected transmission of the new message. First, Jobs First is structured so that DSS staff and recipients do not necessarily interact very frequently. Virtually all Jobs First group members were given a description of the program and its message when they were first randomly assigned (some also attended voluntary group orientations), but there were only two subsequent eligibility redeterminations (at month 12 and month 20).[7] Moreover, the initial employment services model described below was designed to minimize the number of recipients who needed to work directly with employment services staff. These features have made it more feasible for DSS to implement Jobs First without increasing staff, but they also reduce the opportunities for staff to reinforce the program message. For example, on the 1997 staff survey, most New Haven case maintenance workers reported that they had contact with fewer than half their clients between schedule redeterminations, and large majorities of workers in both sites reported that most contact between recipients and staff between redeterminations is client-initiated.

Second, particularly under the new employment services structure, the Jobs First program is dispersed among several agencies (DSS, DOL, RWDB, contracted employment services providers, CCFSA, and so on), making it more difficult for DSS to control the content of the message given to recipients.

Third, it has been difficult to maintain a sharp distinction between the research groups — that is, to ensure that AFDC group members *do not* hear the Jobs First message. By late 1996, the AFDC group members were the only recipients in the state not subject to Jobs First policies. Jobs First has received extensive media coverage, and it seems likely that many AFDC group members were influenced by the general Jobs First message even if they understood that the specific policies did not apply to them. This is particularly likely because Jobs First has been implemented during a period when federal welfare changes also generated much publicity and community discourse. Finally, as noted earlier, many case maintenance workers and FI-Reps have both Jobs First and AFDC group members in their caseload. Although systems were implemented to ensure that staff could quickly check a recipient's research group before answering questions, errors are always possible in this environment.

C. The Message That Recipients Heard

This section uses data from the Interim Client Survey and other sources to describe the information and messages that sample members heard while on welfare. As noted in Chapter 1, the survey sample included only people randomly assigned during the last few months of the sample intake period. Earlier enrollees may have heard a different message. In addition, the survey was administered before the shift in employment services to DOL had been completed, so it mostly represents the experiences of recipients during the period when DSS operated these services.

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[7] There was also a redetermination at month 6, but only for those who were not employed and not attending an activity.

1. The overall message. Figure 2.1 shows the responses to several questions that asked respondents whether they agreed or disagreed with a series of statements about their experiences with the welfare system. These questions were asked of all survey respondents who reported that they had received cash assistance at some point since random assignment.[8] The figure combines the responses of Manchester and New Haven respondents. Table 2.1 shows the responses separately for each site.

In general, these data indicate that Jobs First group members heard a substantially different message than AFDC group members. Roughly two-thirds or more of Jobs First group members agreed a little or agreed a lot that staff urged them to get a job as quickly as possible, told them that working would improve their financial situation, and stressed that they would be allowed to keep part of their welfare grant if they went to work; these responses indicate that staff did a relatively good job of transmitting these central elements of the Jobs First message.[9] There are large differences in the percentage of Jobs First and AFDC group members who agreed with each statement, although it is worth noting that a fairly large proportion of AFDC group members reported hearing these self-sufficiency-related messages.

As might be expected, a somewhat smaller proportion of Jobs First group respondents — about half — said that staff urged them to get off welfare quickly. This probably reflects the fact that recipients were urged to take advantage of the disregard by combining work and welfare. Nevertheless, Jobs First group members were still much more likely to hear this message than their counterparts in the AFDC group.

Interestingly, despite the program's strong work first focus, Jobs First group respondents were somewhat more likely than AFDC group members to agree that staff urged them to obtain education or training. Table 2.1 shows that this impact was driven entirely by New Haven respondents and probably reflects the fact that the New Haven office maintained some emphasis on skill-building activities (discussed below). It might also reflect a greater overall emphasis on issues related to employment and self-sufficiency for Jobs First group members.

2. The time limit message. Table 2.2 shows the percentage of survey respondents in each site who reported that they were (or, if they were off welfare, that they had been) subject to a time limit on welfare benefits. As in the previous section, this question was asked of all respondents who reported that they had received welfare since random assignment.

Once again, the results show that staff were successful in informing recipients about this key element of the Jobs First model: Approximately nine-tenths of the Jobs First group respondents

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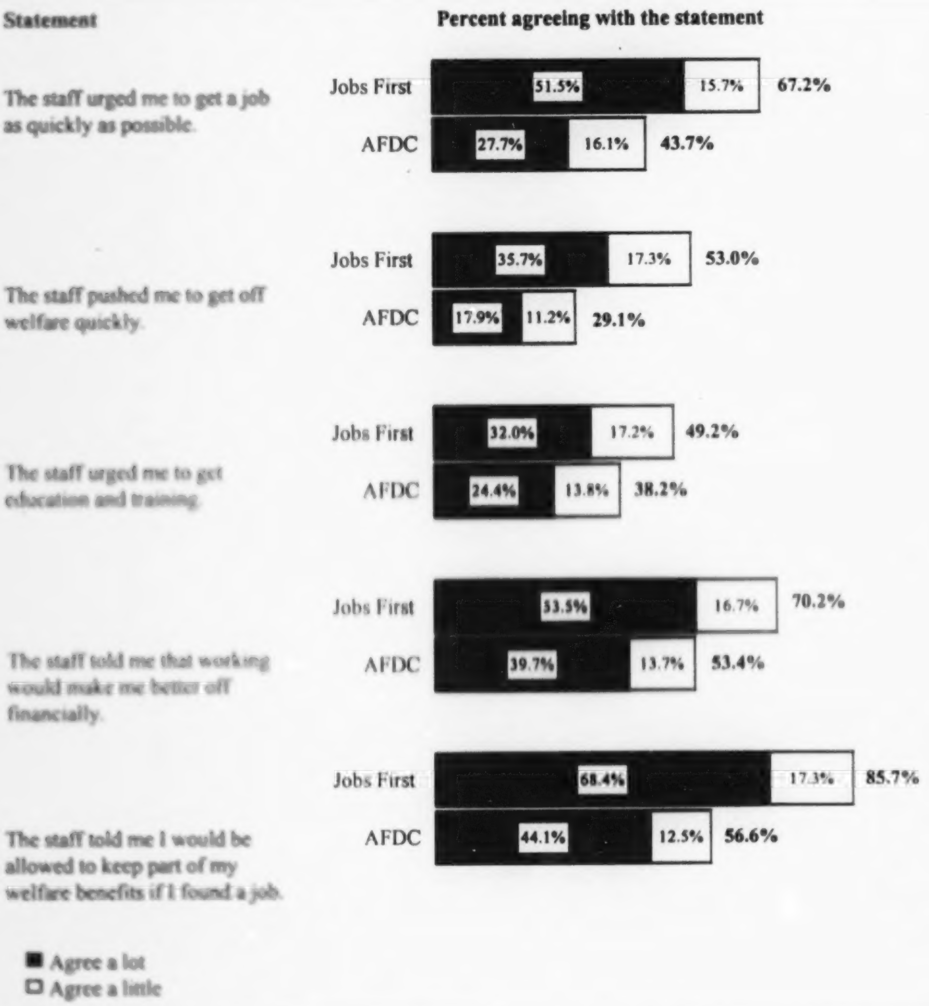
[8] Eligibility Management System (EMS) administrative records show that 8 percent of all sample members did not receive TFA benefits within 18 months of random assignment. However, on the survey about 17 percent of respondents reported that they had not received cash assistance since random assignment, and thus were not asked the questions about their experience with the welfare system.

[9] In another question (not shown), about 88 percent of Jobs First group respondents who had received welfare since random assignment reported that they believed they would be better off financially if they worked 30 hours per week than if they did not work at all. The figure was 76 percent for the AFDC group.

Figure 2.1

Connecticut's Jobs First Program

Messages Heard by Jobs First and AFDC Group Members While on Welfare



SOURCE: MDRC calculations using Interim Client Survey data.

NOTES: These items were asked of the 620 survey respondents who reported receiving cash assistance since random assignment.

The data presented here reflect two of the four possible responses. The other options were whether sample members "disagreed a lot" or "disagreed a little" with the statement.

Estimates were adjusted using ordinary least squares, controlling for pre-random assignment characteristics of sample members.

Rounding may cause slight discrepancies in the calculation of sums.

Measures in this table represent weighted averages. To compensate for differences in the proportion of subgroup members chosen to be surveyed, respondents were weighted by the inverse of the probability of being chosen to be interviewed.

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Table 2.1

Connecticut's Jobs First Program

Messages Heard by Jobs First and AFDC Group Members While on Welfare, by Site

	Manchester			New Haven			Full Sample		
Statement	Jobs First Group	AFDC Group	Difference	Jobs First Group	AFDC Group	Difference	Jobs First Group	AFDC Group	Difference
The staff urged me to get a job as quickly as possible (%)									
Agree a lot	58.1	26.7	31.3	47.3	27.0	20.3	51.5	27.7	23.8
Agree a little	11.8	18.0	-6.3	16.3	15.3	0.9	15.7	16.1	-0.3
The staff pushed me to get off welfare quickly (%)									
Agree a lot	40.9	22.0	18.9	31.5	16.2	15.3	35.7	17.9	17.8
Agree a little	14.4	11.6	2.9	17.0	10.9	6.1	17.3	11.2	6.1
The staff urged me to get education or training (%)									
Agree a lot	23.2	23.7	-0.5	33.9	24.0	9.9	32.0	24.4	7.6
Agree a little	18.1	14.7	3.5	16.5	13.5	3.0	17.2	13.8	3.4
The staff told me that working would make me better off financially (%)									
Agree a lot	56.5	39.0	17.5	50.2	38.5	11.7	53.5	39.7	13.8
Agree a little	14.4	16.3	-1.9	17.0	12.2	4.8	16.7	13.7	3.0
The staff told me that I would be allowed to keep part of my welfare benefits if I found a job (%)									
Agree a lot	71.8	52.9	18.9	63.5	39.7	23.8	68.4	44.1	24.3
Agree a little	13.2	10.5	2.7	17.5	12.4	5.1	17.3	12.5	4.8
Sample size	76	65		246	233		322	298	

SOURCE: MDRC calculations using Interim Client Survey data.

NOTES: These items were asked of the 620 survey respondents who reported receiving cash assistance since random assignment.

The data presented here reflect two of the four possible responses. The other options were whether sample members "disagreed a lot" or "disagreed a little" with the statement.

Estimates were adjusted using ordinary least squares, controlling for pre-random assignment characteristics of sample members.

These results may not represent true impacts of the program; the groups being compared may have differed in their background characteristics because these questions were asked only of respondents who reported that they had received cash assistance. Thus, significance tests were not conducted.

Rounding may cause slight discrepancies in the calculation of differences.

Measures in this table represent weighted averages. To compensate for differences in the proportion of subgroup members chosen to be surveyed, respondents were weighted by the inverse of the probability of being chosen to be interviewed.

Table 2.2

Connecticut's Jobs First Program

Perceptions About a Time Limit on Welfare Receipt

Perception	Manchester Job First Group	Manchester AFDC Group	New Haven Job First Group	New Haven AFDC Group	Full Sample Job First Group	Full Sample AFDC Group
Is/was there a time limit on how long you were/are allowed to receive cash assistance from AFDC/TFA?						
Yes (%)	91.5	32.9	89.1	19.6	89.3	23.0
21 months (%)	69.6	20.9	77.2	8.8	75.2	11.9
Another amount (%)	16.3	8.8	9.9	6.4	11.2	7.1
Don't know length (%)	5.6	3.2	2.1	4.4	2.9	4.1
No (%)	8.2	61.3	8.9	75.4	8.8	72.1
Don't know if subject to a time limit (%)	0.3	5.7	2.0	4.9	1.8	4.9
Sample size	76	65	246	233	322	298

SOURCE: MDRC calculations using Interim Client Survey data.

NOTES: These items were asked of the 620 survey respondents who reported receiving cash assistance since random assignment.

Estimates were adjusted using ordinary least squares, controlling for pre-random assignment characteristics of sample members.

Distributions may not add to 100 percent because of rounding.

Measures in this table represent weighted averages. To compensate for differences in the proportion of subgroup members chosen to be surveyed, respondents were weighted by the inverse of the probability of being chosen to be interviewed.

These results may not represent true impacts of the program; the groups being compared may have differed in their background characteristics because these questions were asked only of respondents who reported that they had received cash assistance. Thus, significance tests were not conducted.

in each site reported that they were subject to a time limit (about three-fourths reported being subject to a 21-month time limit).[10] Further analysis using administrative records showed that one-quarter of those who reported that they were not subject to a time limit were correct; that is, the records show that they were exempt for most of the follow-up period. Another one-third received benefits for only a short time (less than six months), and thus had little exposure to the program.

Table 2.2 also shows that a little less than one-fourth of AFDC group members (about one-third in Manchester) reported that they were or had been subject to a time limit. However, only about half of these people — 12 percent of all AFDC group respondents — reported being subject to a 21-month time limit. Further analysis (not shown in the table) found that almost half of the AFDC group members who reported that they were subject to a 21-month time limit were correct — that is, they *were* subject to Jobs First policies, usually because they had moved and

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[10] As the table shows, 11 percent of Jobs First group respondents reported that they were subject to a time limit, but gave a response other than 21 months when asked the length of the time limit. The most common incorrect responses were 24 months (the time limit in several other states) and 18 months (these respondents may have misunderstood the question and reported the number of months they had used, rather than the number they were allowed).

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received TFA in another part of Connecticut where the AFDC group did not exist.[11] It is not possible to say whether the others obtained erroneous information from staff, neighbors, the media, or some other source. It is worth noting that almost a quarter of the AFDC group members who *incorrectly* reported that they had a time limit had received welfare for less than six months during the follow-up period and thus had little exposure to the AFDC program message (of no time limit on benefit receipt).

This type of "contamination" narrows the treatment difference between the research groups and means that the impact analysis probably understates the impact of the time limit on recipients' behavior in the pre-time limit period. However, it is worth noting that the extent of contamination is low relative to other similar studies, especially given the difficult circumstances described above.[12] Moreover, despite the contamination, there is a very large treatment difference between the two groups in this area.

There are at least two key issues regarding the content of the time limit message. First, the way staff discussed the extension policy — particularly during the period before any recipients reached the time limit — may have shaped recipients' views about whether the time limit was "for real."[13] (In general, written materials produced by DSS have been quite explicit in stating that extensions would be possible in some situations.)

Discussions with staff in 1996 and 1997 suggested that workers adopted one of two general approaches in describing the extension policy to recipients. Some said that recipients who cooperated with the program's mandates would likely receive an extension if they could not find a job; they emphasized that recipients should comply with all program rules to ensure that they did not make themselves ineligible for an extension. Other workers were much less definite, saying that they did not know which recipients would receive an extension and that clients thus needed to try hard to find a job in order to prepare for the possible loss of benefits. The staff survey results indicate that New Haven staff were much more likely to adopt the former approach, while Manchester staff adopted the latter. More generally, staff also reported that many recipients were initially skeptical that the time limit would be implemented (in fact, many staff said they were skeptical themselves).

In small-scale telephone interviews conducted just a few months after individuals were randomly assigned, only a minority of Jobs First group members in both sites said that their grant would definitely be discontinued if they reached the time limit. A larger proportion mentioned the possibility of receiving an extension. On the Interim Client Survey, which was administered in mid to late 1998 (people began reaching the time limit in late 1997), only about 32 percent of Jobs First group respondents said they believed that "nearly everyone" who reached the time limit would have her or his grant canceled (not shown in a table). Forty-eight percent believed that "some" recipients' grants would be canceled, and 9 percent said they believed that "almost no one" would have their benefits canceled.[14] Thus, from the beginning it appears that most recipients understood that the time limit would not necessarily result in cancellation of their welfare grant.

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[11] In all, about 6 percent of AFDC group members were subject to Jobs First policies for at least one month. Nearly two-thirds of these are people who moved and received welfare in a nonresearch district. The others were erroneously subjected to Jobs First policies.

[12] In MDRC's evaluation of Florida's Family Transition Program, 29 percent of AFDC group members reported that they were subject to a time limit. The corresponding figure was 66 percent in the Abt Associates study of Delaware's waiver program.

[13] Once recipients began to reach the time limit, the grapevine presumably started to shape the views of those remaining on the rolls: They could learn whether recipients who reached the limit were receiving extensions or not.

Second, owing to the structure and generosity of the enhanced disregard, DSS staff would be unlikely to urge recipients to leave welfare quickly in order to "save" or "bank" their available months. In some other states with time limits, this message can be particularly appealing to recipients who are working and receiving a small welfare grant, but there are few such recipients in Connecticut because of the disregard's flat structure.[15] In addition, there is in theory no reason to bank months because recipients can receive an extension either when they reach the time limit or at any point thereafter if they experience an involuntary drop in income. On the 1997 staff survey, most workers — particularly in New Haven — said they did not stress a banking message; staff were more likely to use the time limit to motivate recipients to cooperate with program rules or find a job. Figure 2.1, above, shows that the "get off welfare quickly" message was communicated less strongly than the others.

IV. Employment-Related Activities

A. Intended Program Flow

Before 1996, Connecticut, like many other states, did not strongly enforce the existing requirements for AFDC recipients to participate in employment-related activities. Job Connection, the state's Job Opportunities and Basic Skills Training (JOBS) program, served a small proportion of the total welfare caseload in any month, and a large proportion of those who participated were in education and training activities.[16] Thus, Jobs First entailed a radical shift in the scope and emphasis of Connecticut's welfare-to-work programs.

1. Program flow for the Jobs First group. Beginning in January 1996, virtually all TFA applicants and recipients entering Jobs First who were not exempt from work-related mandates were required to engage in upfront job search activities. Regional offices were given some discretion in designing these activities, but it was originally envisioned that many recipients would begin by looking for a job on their own through Self-Directed Job Search (SDJS). Eligibility staff would explain this requirement and give recipients forms to document their job search, but would not monitor the search on an ongoing basis. Instead, after three or six months recipients who had not reported employment would be called in for a work test, essentially a checklist designed to verify that they had actually been searching for a job. Those who passed the work test could then be referred to Job Search Skills Training (JSST), a more structured group activity operated by contracted providers. JSST involved roughly two weeks of classroom instruction in job-seeking and job-holding skills, followed by several more weeks of monitored job search.

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[14] This question was asked of respondents who had received welfare since random assignment and believed that they had a time limit.

[15] A banking message might make more sense for a recipient who receives a substantial amount of child support, which would be budgeted against her grant (after a $100 monthly disregard).

[16] The JOBS program was created in the federal Family Support Act of 1988 to fund state welfare-to-work programs.

Eventually, recipients who failed to find a job through the lengthy upfront job search activities would be called in for an assessment and potentially referred to education or training activities. Only recipients who reached that point would need to work directly with employment services case managers. Given the generous disregard, the time limit, and the strong labor market, DSS hoped that relatively few recipients would reach that point.

The flow changed somewhat when responsibility for employment services was shifted to DOL. Now, the FI-Rep completes a brief assessment (Part A of the Independence Plan) and refers recipients to an orientation conducted by DOL and RWDB.[17] During this session, DOL or RWDB staff meet individually with each recipient to determine her initial activity assignment. Generally, the most job-ready recipients are served by DOL directly; agency staff help them look for a job. Those facing more barriers to employment are referred to RWDB or one of its contracted providers. Some of the contracted providers operate job-readiness activities designed to lead relatively quickly to employment, while others provide some training and/or education.

Recipients who fail to comply with employment-related mandates are placed in "conciliation" — that is, contacted by staff and asked to explain the reasons for noncompliance. Recipients who do not have good cause are sanctioned, as described in Chapter 1. Those who are sanctioned twice — making themselves ineligible for a time limit extension based on good-faith effort — are offered an Individual Performance Contract (IPC), which provides an opportunity for them to restore their eligibility for an extension. (IPCs are discussed later in this chapter.)[18]

2. Program flow for the AFDC group. Employment services policy for the AFDC group differs from policy for the Jobs First group in three key respects. First, the AFDC group is subject to the broader exemption rules that were in place before Jobs First began. Notably, AFDC group members with a child under age 2 are not considered mandatory participants. Second, although the AFDC group is subject to a more employment-oriented welfare-to-work program than the one that existed prior to Jobs First, they are not required to follow the Jobs First sequence described above.[19] Third, the AFDC group is subject to the prior sanctioning policies, which involve removing the noncompliant individual (usually the parent) from the grant calculation, resulting in a somewhat lower grant. However, the first instance of noncompliance can be "cured" as soon as the recipient cooperates.

B. Implementation Issues

1. Shifting to a work first focus. Prior to mid 1998, when DSS was responsible for employment services, both sites dramatically shifted the emphasis of their welfare-to-work programs. They contracted with JSST providers and generally followed the activity sequence described above. In the 1997 staff survey, almost all employment services workers in both sites reported that they were placing a heavier emphasis on employment, were more likely to urge participants to go to work than to school, and were referring more participants to job search activities than they were before Jobs First.

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[17] About 46 percent of Jobs First group members were still receiving TFA in July 1998; these recipients were supposed to be called in to DSS to complete the Independence Plan and then referred to DOL/RWDB in the manner described.

[18] Recipients are also referred for an IPC if they incur one sanction and fail the work test or if they quit a job or reduce their hours without good cause in the final six months of time-limited benefits. (These actions also make recipients ineligible for an extension based on good-faith effort.)

[19] Under federal JOBS rules, which apply to the AFDC group, recipients cannot participate in more than eight weeks of job search in any 12-month period.

Data from field research and the staff survey suggest that the transformation to a work first focus was more dramatic in Manchester than in New Haven. The New Haven office maintained contracts with a variety of education and training programs, and staff reported that participants were occasionally referred to these programs before they had completed their upfront job search activities. In fact, some employment services workers in New Haven reported that they disagreed with the work first philosophy.

Both sites used SDJS less than originally planned. After a few months of implementation, both began to refer many new participants directly to JSST, bypassing the upfront SDJS. Thus, in practice, the work test was not a central part of the program flow for most recipients. Staff reported several reasons for deemphasizing SDJS: Many recipients were not taking the job search requirement seriously (there was no sanction for failing the work test), staff felt uncomfortable about leaving recipients essentially unmonitored for such a long period, and JSST contractors needed more referrals in order to generate sufficient revenue to keep their programs going.

It appears that the work first focus has been muted somewhat since employment services were shifted to DOL. The majority of participants are referred to RWDB or its vendors, rather than being served directly by DOL. In addition, staff have reported that with the large caseload decline many of the recipients remaining on TFA face serious barriers to employment. Staff have expressed growing concern that the work first focus is too narrow to assist these recipients. As this report was being completed, the Jobs First employment component was consciously shifting toward a "balanced work first" approach that is expected to involve somewhat greater use of education and training.

2. Determining exemptions. Exemption determinations are generally made by eligibility staff (case maintenance workers or FI-Reps), and exemptions can be granted at any point following enrollment. Some of the exemption reasons — for example, having a child under age 1 — are easy for staff to verify. Others are more complex. For example, exemptions for incapacitation require approval from a centralized medical review team if the recipient is not already receiving Supplemental Security Income (SSI) or Social Security Disability benefits.

Table 2.3 shows that about 26 percent of Jobs First group members were exempt at some point within two years after their random assignment date.[20] Most of the exemptions were relatively short-term; only about 5 percent of Jobs First group members were exempt for more than one year. As expected, a large majority of the exemptions were granted shortly after recipients were randomly assigned to the Jobs First group; almost all sample members met with an eligibility worker at that point (56 percent of the exemptions were granted during the first month following random assignment and another 24 percent were granted between the second and sixth months). Most of these early exemptions were granted because recipients had a child under age 1. Thus, during the early months of the follow-up period, just under 20 percent of the Jobs First group members receiving TFA were exempt in any given month. This percentage dropped below 10 percent in the second year of the follow-up period, presumably because temporary exemptions based on child age or other factors began to expire. The percentage then increased slightly around month 21, presumably because a few recipients were granted an exemption at their exit interview (see Chapter 3).

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[20] As noted in Chapter 1, a key exempt group, child-only cases, is not included in the research sample.

Table 2.3

Connecticut's Jobs First Program

Proportion of Jobs First Group Members Granted an Exemption Within 24 Months of Random Assignment

Measure	Percent of Sample
Ever exempt within 24 months of random assignment	25.5
Exempt 1-6 months	10.4
Exempt 7-12 months	9.9
Exempt 13-18 months	3.6
Exempt 19-24 months	1.7
Sample size	2,396

SOURCE: MDRC calculations using Connecticut Eligibility Management System (EMS) data.

3. Monitoring recipients' compliance with participation mandates. As noted earlier, prior to Jobs First a large proportion of AFDC recipients were exempt from employment-related mandates and DSS did not strongly enforce the requirements for those who were mandatory. Under Jobs First, the number of mandatory recipients grew substantially (because exemptions were narrowed) and DSS simultaneously sought to enforce the mandates. Narrowing exemptions and enforcing mandates greatly increased the number of recipients who were expected to participate. Nevertheless, DSS did not increase the number of employment services staff when it implemented Jobs First; the activity sequence described above was intended to reduce the number of recipients who needed direct assistance from staff.

The 1998 report noted that the New Haven office in particular faced persistent difficulties monitoring recipients' participation in employment activities. During 1996 and 1997, the problem stemmed mostly from inadequate reporting by a large contracted JSST provider that received more than 4,000 referrals from DSS. DSS often received no information about whether recipients referred to this provider attended the activity, and those who completed JSST without finding a job were often not promptly referred back to DSS. The fact that DSS employment services staff had caseloads of 500 to 600 per worker made follow-up difficult. As a result of these monitoring problems, staff reported that many of the recipients who were referred to this JSST provider were not contacted again for many months.[21]

During the mid 1999 site visit, New Haven DSS staff reported that monitoring problems have persisted in the period since responsibility for employment services was shifted to DOL and RWDB (views among Manchester DSS staff were more mixed). Staff reported that many recipients had been "lost" in the first months after the switch, in part because they were required to attend three separate meetings (one at DSS and two at DOL) before being assigned to an activity.[22] Although the intake process was later streamlined, most New Haven FI-Reps reported that they still had little information about the activities of recipients, particularly those who had been referred to RWDB for services. They believed that RWDB did not have enough staff to effectively monitor these participants. It also appears that no one entity or individual has responsibility for monitoring participants' attendance. Contracted providers, RWDB staff, and DOL staff all play this role for certain groups of participants.

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[21] Managers may have been hampered in responding to this issue by the statewide payment rate for JSST — a maximum of $600 per participant. Local managers reported that few agencies were interested in providing JSST at that price; thus, managers may have had little choice but to continue working with the providers that had been selected.

Statewide DOL statistics appear to bear out these perceptions. A July 1999 report prepared by DOL showed that only about 55 percent of the recipients who were registered with CTWorks in the New Haven service delivery area (SDA) were in an employment-related activity; this figure ranged from about 75 to 85 percent in most other SDAs.[23]

As this report was being completed, important changes in the design of DOL/RWDB employment services for TFA recipients were being phased in throughout the state. One of the key changes is a new case management system designed in part to address the monitoring problems described above. By late 1999, each RWDB had identified a subcontractor to provide case management services, and these services were scheduled to be fully phased in by March 2000. Case managers will be responsible for arranging services and monitoring participants' activities; worker caseloads are intended to range from 125 to 135. A computerized Case Management and Information System is also being developed.

Although the DSS FI-Rep position was initially designed as an integrated eligibility-employment services position, the simultaneous shift of employment services to DOL made this impossible. In fact, most FI-Reps see their role vis-à-vis employment services as being quite limited: They are expected to refer recipients to orientation and administer the conciliation and (if appropriate) sanctioning processes when DOL or RWDB informs them that a recipient is not cooperating. Many FI-Reps used "no news is good news" in explaining their role in monitoring recipients' activities; they did not believe that it was their responsibility to proactively seek out information about their clients' employment services activities.

4. Conciliation and sanctioning. Recipients who fail to comply with employment-related mandates enter the conciliation process: They are contacted by DSS staff and asked to explain the reasons for their noncompliance. Staff then decide whether to grant "good cause," in which case the recipients would not be sanctioned. Initially, DSS employment services staff administered the conciliation process and requested that case maintenance workers impose sanctions when necessary. Since July 1998, FI-Reps have had responsibility for both conciliation and sanctioning.

For the most part, staff report that recipients who have not yet reached the time limit are unlikely to be sanctioned, in large part because they are not closely monitored. Staff in New Haven reported that they felt some pressure to increase sanctioning. As discussed below, New Haven typically has a lower sanctioning rate than other DSS offices.

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[22] Many members of the research sample were likely to have been among this early group of referrals, since many of them were receiving benefits when the shift to DOL was implemented.

[23] The low rate for the New Haven SDA may partly reflect data entry backlogs, since these figures are based on information recorded in EMS.

As discussed further in Chapter 3, staff reported that difficult judgments are often involved in determining good cause, particularly when recipients leave their job and workers must determine whether they did so voluntarily.

5. Working with employed recipients. Given the very generous earned income disregard, it is not surprising that a large proportion of TFA recipients are working at any given point. In both sites, staff reported that employed recipients were given low priority for employment services attention, particularly during the early operational period; as intended, employment services staff focused their energy primarily on people who were unable to find a job. In practice, this meant that if a recipient found a job and reported it to her case maintenance worker, and the worker entered the earnings information in the Eligibility Management System (EMS), the client would be unlikely to be contacted by employment services staff.

This prioritization, while generally consistent with the program model, had two important side effects. First, staff reported that relatively little attention was focused on recipients working for only a few hours per week or at very low wages — even if these recipients were not earning enough to be considered self-sufficient. (In 1997, some underemployed recipients began to be referred to the CCFSA Employment Success Program for help in increasing their hours or wages.)

Second, because Jobs First group members' TFA grants are generally not affected when they lose a job (and because there is no required monthly income reporting and infrequent redeterminations), staff report that recipients have few incentives to inform DSS when they stop working. This, in turn, means that the earnings information recorded in EMS — which partly determines how recipients are prioritized for employment services — is often out of date. In other words, recipients who had stopped working may not have been contacted by employment services staff because EMS indicated that they had earnings. As discussed in Chapter 3, when recipients began to appear for 20-month exit interviews, staff discovered that some people assumed to be working were no longer employed or were earning a different amount than EMS showed. (Of course, inaccuracies can go in both directions: Some working recipients may not report their earnings to DSS.)

6. Employment services for the AFDC group. Before mid 1998, neither site made a concerted effort to enforce participation mandates for AFDC group members. Both reported that scarce resources were targeted to recipients facing time limits. Since the shift to DOL and RWDB, nonexempt AFDC group recipients have been routinely referred for orientation, and DOL and RWDB have held some orientation sessions for this group only. However, relatively few of these sessions have been held, and DSS staff reported that, in practice, AFDC group members are still not being required to participate in employment activities. DOL and RWDB staff also reported that DSS does not appear to be following up on AFDC group recipients who failed to attend the orientations that have been held.

C. Participation Patterns

1. Overall participation rates. Table 2.4 shows the rates of participation in employment-related activities for Jobs First and AFDC group members in the first 18 months after each

Table 2.4

Connecticut's Jobs First Program

Self-Reported Rates of Participation in Employment-Related Activities Within 18 Months of Random Assignment

	Manchester			New Haven			Full Sample		
Activity	Jobs First Group	AFDC Group	Difference	Jobs First Group	AFDC Group	Difference	Jobs First Group	AFDC Group	Difference
Ever participated in:									
Any employment-related activity (%)	60.2	49.6	10.6	65.8	47.9	17.9 ***	64.1	48.7	15.4 ***
Any job search activity (%)	36.7	18.9	17.8 **	39.9	22.1	17.8 ***	39.0	21.5	17.5 ***
Job club/Job Search Skills Training (%)	24.1	7.7	16.4 ***	29.1	14.0	15.1 ***	27.7	12.9	14.9 ***
Independent/Self-Directed Job Search (%)	21.2	11.9	9.3	21.4	11.2	10.2 ***	21.4	11.3	10.1 ***
Any education or training activity (%)	27.8	40.2	-12.4	41.6	33.1	8.5 **	37.9	35.2	2.7
Basic education (%)	8.5	17.7	-9.2 *	18.9	15.4	3.5	16.1	16.3	-0.1
ABE or GED classes (%)	7.7	14.7	-6.9	16.8	12.1	4.7	14.5	12.9	1.6
ESL classes (%)	0.9	3.8	-2.9	4.4	4.5	-0.1	3.4	4.6	-1.2
College (%)	19.4	14.1	5.3	13.8	8.2	5.6 **	14.8	9.8	5.0 **
Vocational training (%)	5.7	18.9	-13.2 **	22.2	17.7	4.5	18.2	18.1	0.2
Other (%)	8.5	4.7	3.7	13.6	9.5	4.1	12.6	8.2	4.4 *
Work experience (%)	2.0	2.0	0.0	2.8	4.4	-1.6	2.7	3.8	-1.1
On-the-job training (%)	1.3	5.5	-4.3	5.3	2.2	3.1 *	4.1	3.1	1.0
Sample size	91	83		288	310		379	393	
Among those who participated, percent who participated in:									
Any job search activity (%)	*60.3*	*39.6*	*20.7*	*60.4*	*46.5*	*14.0*	*60.7*	*44.4*	*16.2*
Any education or training activity (%)	*44.5*	*82.1*	*-37.7*	*63.2*	*69.3*	*-6.1*	*59.0*	*72.4*	*-13.4*
Both job search and education or training (%)	*13.5*	*23.1*	*-9.7*	*28.9*	*22.4*	*6.6*	*25.7*	*22.3*	*3.4*
Sample size	*54*	*43*		*188*	*148*		*242*	*191*	

SOURCE: MDRC calculations using Interim Client Survey data.

NOTES: Items in the main section were asked of all 772 survey respondents. The items in the second section were asked of only those survey respondents who took part in any employment-related activity.

Estimates were adjusted using ordinary least squares, controlling for pre-random assignment characteristics of sample members.

A two tailed t-test was applied to differences between the research groups. Statistical significance levels are indicated as *** =1 percent, ** =5 percent, * =10 percent.

Rounding may cause slight discrepancies in the calculation of differences.

Measures in this table represent weighted averages. To compensate for differences in the proportion of subgroup members chosen to be surveyed, respondents were weighted by the inverse of the probability of being chosen to be interviewed.

Italicized results may not represent true impacts of the program; the groups being compared may have differed in their background characteristics. Thus, significance tests were not conducted.

person's date of random assignment. These self-reported data are drawn from the Interim Client Survey. Moreover, they include both activities arranged by DSS and those not arranged by DSS (for example, activities that people participated in after they left welfare).[24] Finally, because they come from the survey, the data reflect participation patterns only for those who entered the research sample in late 1996 and early 1997; early-enrolling sample members may have had different patterns.[25]

The columns labeled "full sample" show the combined results for Manchester and New Haven. The top row shows that members of both groups were quite likely to report that they had participated in at least one employment-related activity. However, as expected, Jobs First group members had a significantly higher participation rate: 64 percent versus 49 percent for the AFDC group. This likely reflects both the narrower exemption criteria for the Jobs First group and somewhat stronger enforcement of the participation mandates.[26] (As discussed further in Chapter 4, the asterisks on the table indicate whether differences between the groups are statistically significant — that is, quite unlikely to have arisen by chance.)

Consistent with the program model, the overall difference in participation rates is driven mainly by an increase in participation in both group and individual job search. With the exception of a small increase in college attendance, Jobs First did not increase the rate of participation in education or training activities such as Adult Basic Education (ABE), General Educational Development (GED) preparation, and vocational training. Because the job search activities are fairly brief, these data imply that Jobs First group members were likely not to be continuously active in employment-related activities throughout their time on welfare.

The Manchester and New Haven columns show that the overall figures mask differences in the pattern of impacts across sites. These differences are largely consistent with the implementation data described above. Manchester, which implemented a fairly strict work first approach, generated substantial increases in job search participation rates and corresponding decreases in participation in education and training activities. This pattern suggests that Jobs First group members who might have participated in education or training under the old rules were steered toward job search activities (that is, there was little or no net increase in participation).

In New Haven, Jobs First generated a substantial increase in job search participation and a modest but statistically significant increase in education and training participation. This may reflect the continued emphasis on education and training discussed above. In addition, data from in-depth interviews with a small group of sample members suggest that at least some people participated in education and training activities while on welfare, but the activities were not arranged by DSS.

Despite their higher participation rates, Jobs First group respondents were only slightly more likely than AFDC group respondents to agree with the statement "I received help that improved my long-term chances of getting and keeping a job." Fifty-two percent of Jobs First group members agreed a little or agreed a lot with the statement compared with 49 percent of AFDC group members. In New Haven, Jobs First group members were somewhat more likely than AFDC group members to agree with the statement, while in Manchester, AFDC group members were more likely to agree; this may reflect New Haven's somewhat greater emphasis on skill-building activities.

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[24] MDRC was unable to obtain reliable data from DSS employment services case files to determine which sample members participated in activities arranged by DSS.

[25] The 36-month survey will provide participation data for a broader segment of the research sample.

[26] On another question (not shown in the figures and tables), AFDC group members were somewhat more likely to agree or agree a lot with the statement "It was easy to stay on welfare without taking part in any activities to prepare for employment."

2. Nonparticipants. Table 2.5 provides some information on the Jobs First group respondents who did not report participating in any employment-related activity. These data are drawn from EMS. Overall, 36 percent of Jobs First group respondents reported that they never participated in any employment-related activity. Table 2.5 shows that about three-fourths of these nonparticipants were exempt for at least half their months of TFA receipt, received TFA for six months or less during the follow-up period, or reported employment during at least half their months on welfare. Thus, less than 10 percent of Jobs First group respondents reported no participation despite spending a substantial number of months as nonexempt, nonworking TFA recipients. In other words, only a small proportion of recipients were overlooked entirely although, as discussed earlier, this does not mean that people were active throughout their time on assistance.

Table 2.5

Connecticut's Jobs First Program

Status of Jobs First Group Survey Respondents Within 18 Months of Random Assignment

	Manchester	New Haven	Full Sample
Ever participated in an employment-related activity (%)	60.2	65.8	64.1
Never participated in an employment-related activity (%)	39.8	34.2	35.9
Never participated in an employment-related activity and ...			
Received TFA six months or less (%)	9.8	6.9	7.8
Reported employment in at least 50% of months on TFA (%)	13.4	12.4	13.1
Exempt at least 50% of months on TFA (%)	11.2	8.7	9.3
Any of the above (%)	32.5	23.6	26.3
None of the above (%)	7.4	10.5	9.6
Sample size	91	288	379

SOURCES: MDRC calculations using Interim Client Survey data, Connecticut AFDC/TFA records, and Connecticut Eligibility Management System (EMS) data.

NOTES: Measures in this table represent weighted averages. To compensate for differences in the proportion of subgroup members chosen to be surveyed, respondents were weighted by the inverse of the probability of being chosen to be interviewed.

3. Sanctioning and Individual Performance Contracts. Table 2.6 provides some information on the prevalence of sanctioning for both the Jobs First and AFDC groups. The table focuses on sanctions for violations of employment-related requirements; because the data are drawn from administrative records, they are available for the entire research sample. The table shows that 3.4 percent of Jobs First group members and 0.4 percent of AFDC group members were sanctioned at least once within 18 months after their random assignment date. It also shows that Manchester's sanction rate (6.4 percent) was more than twice as high as New Haven's (2.5 percent).

Table 2.6

Connecticut's Jobs First Program

Rates of Sanctioning for Noncompliance with Employment-Related Requirements Within 18 Months of Random Assignment

	Manchester		New Haven		Full Sample	
	Jobs First Group	AFDC Group	Jobs First Group	AFDC Group	Jobs First Group	AFDC Group
Ever sanctioned (%)	6.4	0.2	2.5	0.4	3.4	0.4
Nonparticipation[a] (%)	4.6	0.2	2.0	0.4	2.6	0.4
Voluntary quit[a] (%)	2.2	0.0	0.5	0.0	0.9	0.0
Sample size	591	584	1,805	1,823	2,396	2,407

SOURCE: MDRC calculations using Connecticut Eligibility Management System (EMS) data.

NOTES: Estimates were adjusted using ordinary least squares, controlling for pre-random assignment characteristics of sample members.

[a] The rates of sanctioning for nonparticipation and voluntary quits do not sum to the overall sanctioning rate because some sample members may have received more than one type of sanction.

The relatively low sanctioning rates for the Jobs First group probably reflect the modest scope of the employment-related requirements (that is, most recipients are not required to participate in many activities) and the monitoring problems discussed earlier. In addition, it is worth noting that, according to DSS statistics, the New Haven office consistently has lower sanctioning rates than the other regional offices in the state. The low sanctioning rates for the AFDC group are not surprising, given that these recipients have generally not been required to participate in employment-related activities.

As mentioned earlier, recipients who are at risk of being denied an extension because they have not met the good-faith effort criteria (for example, they have been sanctioned twice) can restore eligibility for an extension based on good-faith effort by successfully completing an Individual Performance Contract (IPC). An IPC — which can be offered only during the first 21 months of time-limited TFA — typically entails complying with an employability plan that prescribes work-related activities that conform with the Jobs First program. IPC services are provided through WorkSteps, a partnership between the United Way of Connecticut-Infoline and the CCFSA Employment Success Program.[27] The United Way manages Infoline, a statewide social service information and referral program. Services are provided by the various local CCFSA agencies. WorkSteps provides two sets of services: IPC and Safety Net services. (Safety Net services are described in Chapter 3.)

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[27] The United Way has a contract with DSS to provide the WorkSteps program, and CCFSA subcontracts with the United Way.

When DSS staff identify a recipient who is in danger of losing her benefits because of lack of a good-faith effort, they send her name to Infoline. Infoline attempts to contact the recipient by telephone or through the mail and then refers the case to CCFSA. Local CCFSA case managers must attempt to contact each person who is referred for an IPC through phone calls, letters, and at least three home visits. If they are unsuccessful after three weeks, they inform DSS, and the individual is considered not to have restored good faith. Although individuals can refuse IPC services, staff report that virtually all agree to participate, because they understand that refusal may result in ineligibility for extensions.

CCFSA case managers usually meet with recipients in their home. During the first visit, they conduct an assessment and help the recipients complete an IPC service plan that reflects the DSS employment plan. CCFSA staff said that sometimes if the employment plan seems inappropriate to them based on the recipients' barriers, they will try to negotiate with DSS staff to alter the plan and that usually DSS agrees. Staff said that they try to help people remove or work around any barriers that may have prevented them from complying with the Jobs First program in the past.

CCFSA typically works with IPC participants for 30 to 60 days. If an IPC is offered near the recipients' time limit (during the 20th or 21st month), they may be granted an extension until the IPC results are available. CCFSA sends weekly progress reports to DSS for each IPC participant and at the end of the period sends a final report that indicates whether the individual successfully completed the IPC.

Owing to the low rate of sanctioning, there have been relatively few referrals for IPCs. Statewide data from CCFSA show that about 88 percent of those referred for an IPC accept services, and about two-thirds of those referred (three-fourths of those who accept services) succeed in restoring their eligibility for an extension.[28]

V. Other Services and Activities

This section discusses other key areas in which the experiences of Jobs First and AFDC group members in the pre-time limit period differ.

A. Child Support Enforcement

Table 2.7 illustrates the two Jobs First policy changes that relate directly to child support. Under AFDC rules, when child support is collected for a recipient's child, she receives a check for the first $50 that is collected each month (or less than $50 if less is collected) in addition to her regular welfare check; the remaining child support (if any) is retained by the state as reimbursement for welfare costs. The $50 "pass-through" is disregarded in calculating her welfare grant.

Under Jobs First, the child support disregard is raised from $50 to $100 per month. In addition, recipients receive a check for the *full amount* of child support collected each month, but this amount (less the $100 disregard) is counted as income in calculating their monthly welfare check. Thus, in months when more than $50 is collected, recipients receive up to $50 more in total income under Jobs First. In addition, because they receive a check for the full amount of support, recipients can clearly see how much child support has been collected on their behalf. If support is being collected steadily, this new awareness might make recipients more willing to leave welfare and rely on their earnings and child support. Moreover, it might make them more willing to provide information about the whereabouts of noncustodial parents that would assist the child support enforcement (CSE) program in establishing or enforcing a support order.

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[28] Connecticut Council of Family Service Agencies, 1999.

Table 2.7

Connecticut's Jobs First Program

Income from AFDC/TFA and Child Support for a Mother with Two Children, If $150 in Child Support Is Collected

Program	Child Support Check	AFDC/TFA Check[a]	Total
AFDC ($)	50	543	593
Jobs First ($)	150	493	643

SOURCE: MDRC calculations based on Connecticut TFA policies.

NOTE: [a]The maximum monthly TFA grant for a mother with two children and no other income is $543.

MDRC interviewed child support supervisors and investigators in both the Manchester and New Haven DSS offices to ascertain whether staff believe that these changes, or other features of Jobs First, affect the behavior of custodial parents vis-à-vis child support enforcement.

Most of the staff who were interviewed believe that the Jobs First time limit induces some custodial parents to provide additional information about noncustodial parents. Staff reported that they had seen custodial parents who had previously provided very little information about their children's noncustodial parent suddenly "remember" detailed information (for example, Social Security number, address, place of employment) just before they reached the time limit. This information is vital because child support staff typically need the cooperation of custodial parents in order to locate noncustodial parents who move or change jobs frequently and do not want to be found.

There was less agreement about whether the specific changes described above have much effect on behavior. Some staff thought the changes would likely affect only the minority of recipients who already had support orders in place. Others pointed out that the switch to electronic benefits transfer (EBT) — which took place in 1997 — had diluted the potential impact of the redirected payment policy, since both child support and cash assistance are deposited into a single account (that is, there are no more paper checks).

Finally, staff noted that, even if Jobs First stimulates additional cooperation, the CSE system cannot necessarily respond quickly to establish or enforce a support order because of investigators' very large caseloads. In addition, the multi-step CSE process involves several organizational players, and there are potentially long delays at each stage.

B. Child Care

Both Jobs First and AFDC group members are ensured of child care assistance if they work or participate in activities while receiving cash assistance. In accordance with prior rules, AFDC group members are eligible for one year of transitional child care (TCC) if they leave welfare for work, while Jobs First group members are guaranteed child care indefinitely after leaving welfare while employed, as long as their income does not exceed 75 percent of the state median income. In reality, however, there is not a large difference between these two policies because AFDC group members who reach the end of the TCC period can move directly into the child care certificate program that serves low-income working parents.[29]

Prior to September 1997, DSS was responsible for issuing child care subsidy payments. Although each office had specialized child care workers, MDRC's 1997 report noted that case maintenance workers often assumed responsibility for processing reimbursement checks for the recipients in their caseload. At the time, child care subsidy payments were often provided directly to parents using informal arrangements, and there was widespread (though unsubstantiated) speculation among staff that some recipients were receiving more money than they needed to pay for care. (Now payments are generally issued directly to providers.)

As noted earlier, administration of the child care programs was shifted to MAXIMUS in September 1997. Thus, DSS staff now play a limited role vis-à-vis child care. Unlike some other states, Connecticut does not have a system of local child care resource and referral agencies that assist parents in searching for child care providers. Instead, DSS, DOL, and RWDB staff reported that they generally recommend that recipients contact Child Care Infoline, a telephone-based system, to obtain a list of child care providers in their area.[30] Applications for financial assistance must be submitted to MAXIMUS, which operates exclusively by telephone and mail (that is, parents do not meet with MAXIMUS staff directly).

Just after MAXIMUS took over the child care program, there were extensive and well-publicized delays in issuing subsidy payments and responding to parent inquiries. Recent state data indicate that the situation has greatly improved, although DSS and DOL staff reported in mid 1999 that many recipients still experience delays in getting their applications for assistance approved.

On the Interim Client Survey, Jobs First group members were more likely than AFDC group members to agree with the statement "The staff gave me useful information about how to find child care."[31] This is presumably related to the heavier emphasis on employment for the Jobs First group. It is not clear, however, whether respondents were referring to staff from DSS, Child Care Infoline, MAXIMUS, or some other agency. In addition, it is not clear whether staff were mostly responding to inquiries or proactively providing information to all recipients.

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[29] Perhaps the more significant difference relates to the initial eligibility rules for TCC. Under AFDC, TCC was available only to individuals who lost eligibility for welfare because of earnings and had received benefits in at least three of the previous six months. Under Jobs First, eligibility is streamlined, and TCC is available to any recipient who is employed at the time her case closes (or within the subsequent six months). This means that some AFDC group recipients who leave welfare for work may not be eligible for TCC and may need to turn directly to the certificate program.

[30] Child Care Infoline also recruits new child care providers.

Table 2.8 shows the responses to several child care-related questions on the Interim Client Survey. These questions were asked of all respondents who had children living with them when interviewed. As the table shows, 44 percent of Jobs First group members and 37 percent of AFDC group members reported that at least one of their children was in a regular child care arrangement for at least 10 hours per week. The higher rate of child care use among the Jobs First group appears to be driven primarily by the higher employment rate for that group (see Chapter 4). In fact, among those who were employed at the time of the interview, Jobs First group members were somewhat *less* likely to be using child care: 63 percent of employed Jobs First group members were using child care compared with 68 percent of employed AFDC group members. This difference is probably related to the types of jobs that individuals obtained. As discussed in Chapter 4, employed Jobs First group members were more likely than employed AFDC group members to work less than 30 hours per week; people working part time may be less likely to need child care because they may work only during school hours.

There was no statistically significant difference between the groups in child care expenditures. The overall average cost of child care in the month prior to the interview — including both respondents who were using care and those who were not — was $77 for the Jobs First group and $73 for the AFDC group. Thus, Jobs First group parents were more likely to be using child care, but were not spending more than their AFDC group counterparts. This pattern occurred because, among those using care, average expenditures were slightly lower for the Jobs First group ($183) than for the AFDC group ($200); Jobs First group members who used care were slightly more likely to report spending nothing for child care (35 percent versus 32 percent of AFDC group members). In contrast, AFDC group members were somewhat more likely to report spending $300 or more. This pattern is probably related to the type of care recipients are using or to the level of subsidies they receive. (A separate report focusing on the survey's young child module, discussed in Appendix A, addresses child care issues in detail for this subgroup.)

Finally, two questions asked respondents with children whether they had ever (since random assignment) quit or not started a job or employment activity because of child care problems. Table 2.8 shows that AFDC group members were slightly more likely to say that they had experienced these problems.

C. Medical Coverage

Since 1988, Congress has required states to extend Medicaid coverage for one year to certain families who leave welfare for work. Jobs First extended this transitional medical assistance (TMA) coverage to two years, and also expanded the range of families who can qualify for the benefit.

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[31] Fifty-one percent of Jobs First group members and 36 percent of AFDC group members agreed or agreed a lot with the statement.

Table 2.8

Connecticut's Jobs First Program

Impacts on Child Care Use, Costs, and Problems Among Survey Respondents

	Jobs First Group	AFDC Group	Difference
Currently using child care[a,b] (%)	43.6	37.3	6.3 *
Average child care cost in prior month[c] ($)	77	73	4
Among those employed			
Using child care (%)	*63.0*	*67.7*	*-4.8*
Among those using child care			
Child care cost in prior month			
Don't know cost	*4.2*	*4.9*	*-0.7*
$0	*34.5*	*32.1*	*2.4*
$1-$99	*11.3*	*7.7*	*3.6*
$100-$199	*11.1*	*10.7*	*0.4*
$200-$299	*9.3*	*8.5*	*0.8*
$300+	*29.7*	*36.1*	*-6.4*
Average child care cost in prior month ($)	*183*	*200*	*-17*
Among those with children			
Ever quit job or employment activity owing to child care problems (%)	*22.9*	*29.9*	*-7.0*
Ever did not start job or employment activity owing to child care problems (%)	*26.2*	*28.8*	*-2.6*
Sample size	370	383	

SOURCE: MDRC calculations using Interim Client Survey data.

NOTES: Estimates were adjusted using ordinary least squares, controlling for pre-random assignment characteristics of sample members.

A two-tailed t-test was applied to differences between the research groups. Statistical significance levels are indicated as *** = 1 percent, ** = 5 percent, and * = 10 percent.

Rounding may cause slight discrepancies in the calculation of sums and differences.

Measures in this table represent weighted averages. To compensate for differences in the proportion of subgroup members chosen to be surveyed, respondents were weighted by the inverse of the probability of being chosen to be interviewed.

Italicized results may not represent true impacts of the program; the groups being compared may have differed in their background characteristics. Thus, significance tests were not conducted.

[a] Nineteen cases (9 Jobs First group members and 10 AFDC group members) with children were mistakenly not asked any child care items. These cases have been removed from the base of all items here.

[b] The question about whether the respondent was currently using child care was asked only if the respondent was the parent or legal guardian of a child under age 17 who was living with him/her. In this table, it was assumed that those who were not the parent or legal guardian of any child under age 17 who was living with them were not currently using child care.

[c] Average cost of child care in the prior month was assumed to be $0 for those not using child care and for those with no child in the home of whom they were the parent or legal guardian.

The transitional Medicaid extension potentially provides a significant incentive for Jobs First group members to leave welfare for work, especially when available jobs do not provide health coverage. However, two developments over the past few years have reduced the magnitude of the treatment difference in this area:

- In 1997, Connecticut expanded the availability of free or low-cost health coverage for children though the Healthcare for Uninsured Kids and Youth (HUSKY) program. With this new program and earlier federally mandated expansions of Medicaid coverage for children, most children in the AFDC group are entitled to free health coverage after their parent leaves welfare. For example, a single mother with two children can obtain free health insurance for her children if her income is below $25,686; she can obtain coverage with no premiums (but some copayments) if her income is between $25,686 and $32,627. Although not all eligible children receive the coverage to which they are entitled, there is in theory little difference between the research groups in eligibility for health coverage for children.

- As part of the 1996 welfare law, Congress delinked eligibility for Medicaid and cash assistance and established a new category of Medicaid coverage for families who do not qualify for cash assistance but meet the eligibility standards for AFDC as of July 1996. (This category, known as "1931 Medicaid," is described in Section 1931 of the Social Security Act.) One effect of this change is that some AFDC group members who leave cash assistance, but do not qualify for TMA, may still qualify for continued Medicaid coverage (although EMS does not automatically make this determination).[32]

In practice, these changes mean that the difference between the groups was largest in the first year or two of program implementation and then began to narrow. It will narrow even further in the future because, beginning next year, 1931 will be expanded to cover entire families with income below 185 percent of the poverty level.

Like the time limit and the disregard, the transitional Medicaid policy can be implemented mechanically by EMS; families reporting employment when they exit TFA are automatically shifted into the TMA category. In fact, it appears that this transition works more smoothly in Connecticut than in some other states, in part because the eligibility criteria for TMA have been simplified and expanded.[33] For example, in some other states, individuals who leave welfare for work but do not contact the welfare office may not receive TMA.

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[32] AFDC group members who qualify for 1931 would then receive the two-year extension after losing eligibility. Moreover, their ongoing eligibility for 1931 would be calculated using the poverty level earnings disregard applied in TFA.

[33] Under prior rules, transitional Medicaid was provided to families who had received AFDC for at least three of the six months prior to becoming ineligible for aid, and who became ineligible because of earnings or hours of employment. Under Jobs First, transitional Medicaid is provided to families who are employed at the point their benefits are discontinued, become employed within six months after leaving welfare, or lose eligibility because of child support income.

The expanded and extended TMA benefit could, in theory, increase employment retention and reduce welfare recidivism, although any differences would not show up immediately. However, in order to affect recipients' initial decisions about whether to go to work, information about TMA must be communicated to recipients by program staff. Two brief telephone surveys of sample members conducted in 1996 and 1997 found that nearly two-thirds of Jobs First group members in New Haven and more than three-fourths in Manchester were aware of TMA coverage, suggesting that staff were relatively successful in communicating information about the benefit.

D. Other Supports for Recipients

In addition to employment-related services and support services such as child care, recipients may receive other types of help in overcoming barriers to employment. Although eligibility staff reported in the 1997 staff survey that they spent more time on "client assistance" when working with members of the Jobs First group than the AFDC group, responses to the Interim Client Survey found little evidence to support this contention. For example, fewer than half of the respondents in both groups agreed that staff took the time to get to know them and their situation, and there was no difference between the groups (this question was asked only of respondents who reported that they had received cash assistance since their random assignment date). This likely reflects the lack of frequent contact between recipients and staff.

At the same time, field research suggests that Jobs First group members who experience serious problems may be more likely to get attention and help, particularly as they approach and reach the time limit. For example, the IPC program, discussed earlier, is available only to the Jobs First group (although the number of referrals has been relatively small). In addition, particularly in the New Haven office, DSS social workers have systematically reached out to recipients who are having difficulty meeting program requirements. For example, FI-Reps notify the social work unit whenever a case is sanctioned for the first time, and these clients are usually contacted and offered assistance. Similarly, recipients whose time limit clocks reach month 16 receive a letter offering social services assistance. Although this assistance is clearly available to recipients in both research groups, eligibility staff may be more likely to identify the need for assistance with Jobs First group members, who are subject to mandates and the time limit.

Finally, Project SOAR, operated by DOL, provides assistance to recipients who are having difficulty meeting employment services requirements. Recipients are referred to the program by DOL or RWDB staff. Once again, the service is available to both groups, but the fact that Jobs First group members are subject to employment-related mandates probably increases their chances of being referred.

One potential problem is that recipients who need help may interact with an array of staff from several different agencies. For example, consider a recipient who is assigned to an employment-related activity operated by a RWDB contractor, initially starts the activity, and then begins missing classes because of a serious personal or family problem. If her activities were being properly monitored (which, as discussed earlier, is not always the case), she might be contacted by provider staff, and then by RWDB staff, and finally referred to Project SOAR. If her noncompliance persisted, she might be called in for a conciliation appointment with her FI-Rep. If a sanction was imposed, she might be contacted by a DSS social worker and referred for an IPC. Each of these agencies would likely begin by conducting some sort of assessment, and then might refer the recipient to still another agency for specific services. No one agency or individual worker would have overall responsibility for coordinating the recipient's service plan. Although this example is probably extreme, it illustrates a potential unintended consequence of the complex organizational structure that has developed over the past three years. As noted earlier, DOL and the RWDBs are implementing a new case management system that is intended to address these problems.

VI. Which Components Matter Most?

The Jobs First evaluation is designed to estimate the impact of the full array of Jobs First components; there is no way to reliably separate the impacts of individual program features such as the time limit and the earned income disregard. To partly address this limitation, several questions on the Interim Client Survey asked members of the Jobs First group how they were affected by individual components of the program.

Figure 2.2 shows the responses to a number of questions that asked Jobs First group members whether the time limit had affected their behavior in a number of specific ways. Most respondents reported that the time limit had not motivated them to take the specified steps. Somewhat surprisingly, respondents were most likely to report that the time limit caused them to enter an education or training program. It is not clear whether these respondents are referring to activities arranged by DSS or others that they entered on their own.

Figure 2.3 shows the responses to a set of questions that asked Jobs First members which elements of the program model had affected their decisions about working. No single program feature stands out as the most influential — roughly equal percentages of respondents reported that their decisions had been affected by each major component.[34]

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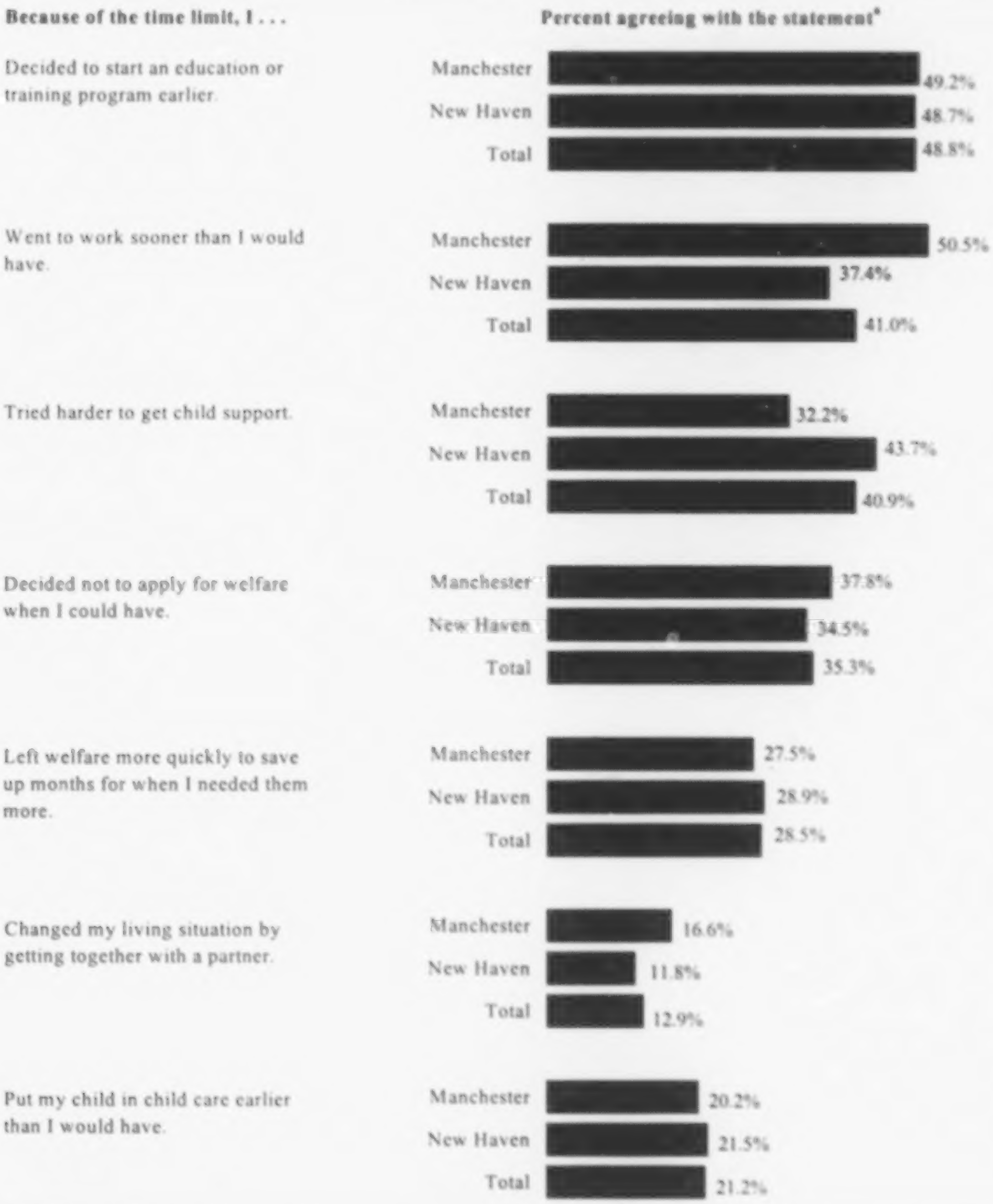
[34] Interestingly, among those who reported that the time limit had influenced their work decisions a lot, nearly one-third disagreed that the time limit had caused them to go to work sooner than they would have on their own. The respondents may have interpreted "work decisions" broadly to include steps other than actually working (for example, enrolling in a training program).

Figure 2.2

Connecticut's Jobs First Program

Effect of the Time Limit on Jobs First Group Members



(continued)

Figure 2.2 (continued)

SOURCE: MDRC calculations using Interim Client Survey data.

NOTES: These items were asked of Jobs First group survey respondents who reported that they had received cash assistance since random assignment and who indicated that they were subject to a time limit. The total sample size is 289 (69 in Manchester and 220 in New Haven).

Estimates were adjusted using ordinary least squares, controlling for pre-random assignment characteristics of sample members.

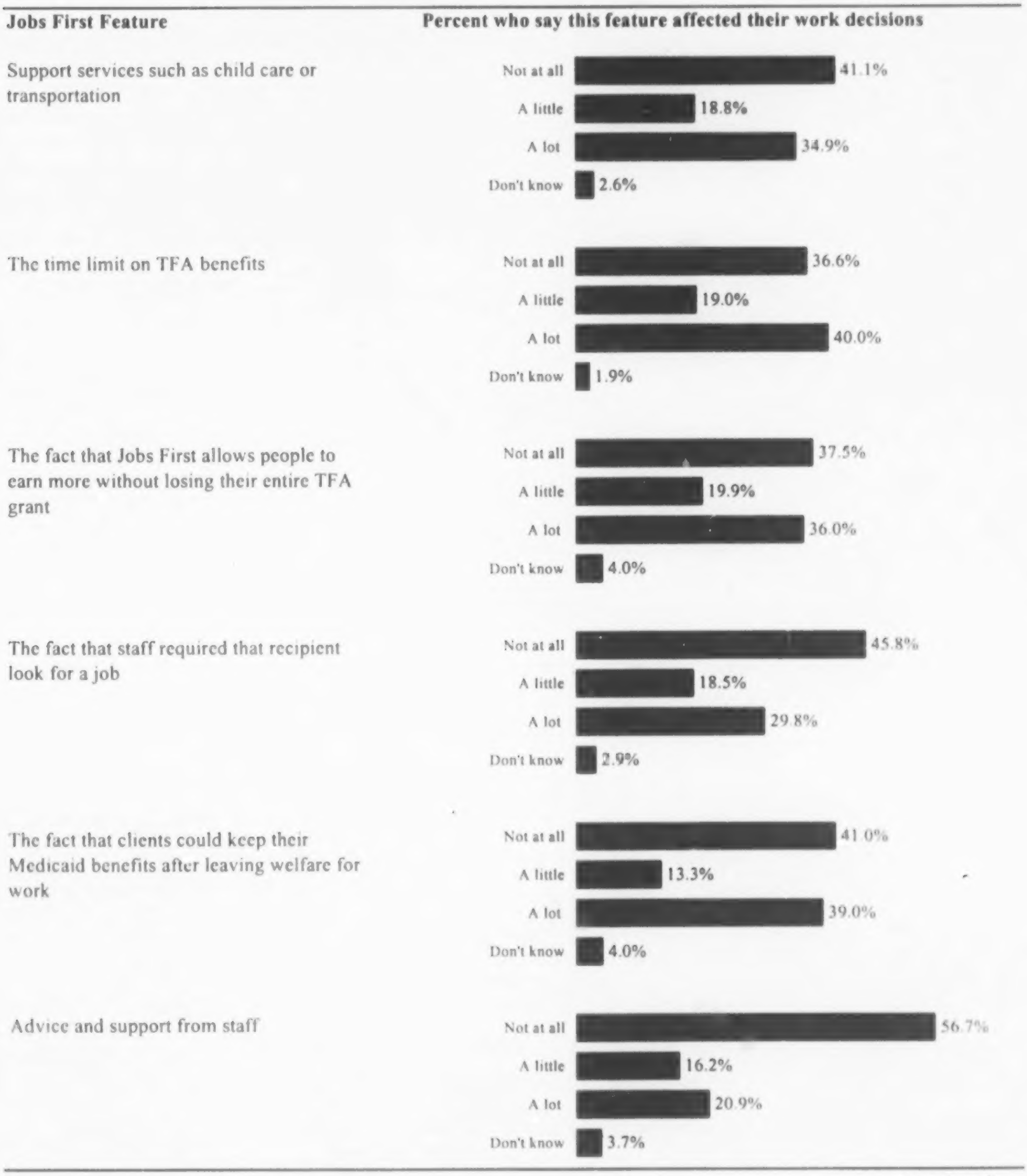
Measures in this table represent weighted averages. To compensate for differences in the proportion of subgroup members chosen to be surveyed, respondents were weighted by the inverse of the probability of being chosen to be interviewed.

[a] Figures represent the percentage of respondents who agreed a little or agreed a lot with the specified statement.

Figure 2.3

Connecticut's Jobs First Program

How Selected Jobs First Features Affected the Employment Decisions of Jobs First Group Members



(continued)

Figure 2.3 (continued)

SOURCE: MDRC calculations using Interim Client Survey data.

NOTES: These questions were asked of all 379 Jobs First survey respondents.

Estimates were adjusted using ordinary least squares, controlling for pre-random assignment characteristics of sample members.

Measures in this table represent weighted averages. To compensate for differences in the proportion of subgroup members chosen to be surveyed, respondents were weighted by the inverse of the probability of being chosen to be interviewed.

Percentages do not add to 100 because respondents whose items were blank or who refused to answer have been omitted.

Chapter 3

The Jobs First Time Limit

This chapter discusses what occurs when recipients approach and reach the Jobs First 21-month time limit on Temporary Family Assistance (TFA) benefits.[1] It also updates findings presented in MDRC's 1998 report. Specifically, after summarizing the key findings, the chapter presents information on how quickly Jobs First group members reach the time limit and discusses the time limit review process that occurs during each individual's 20th month of cash assistance and at the end of each six-month extension of benefits. It also presents information on the outcomes of the time limit review process, including the proportion of recipients who receive six-month extensions and their characteristics. The final sections present information on the economic status of a subset of individuals who reached the time limit and on available services.

While the policies discussed in this chapter have been implemented statewide, MDRC's observations and data are limited to the two research sites: Manchester and New Haven. The time limit review process may operate differently in other areas of the state, and the numbers presented do not represent statewide results.

I. Some Key Findings

Most Jobs First group members did not reach the time limit within the follow-up period for this report. Twenty-four percent of them reached the time limit 21 months after their random assignment date; that is, they received TFA benefits continuously and were never exempt from the program. Another 15 percent reached the time limit between 22 and 30 months after random assignment. In other words, 61 percent of Jobs First group members still had months remaining on their time limit clocks 30 months after enrollment. Most of these individuals left welfare, at least temporarily; others were exempt from Jobs First and its time limit for at least part of the period they received benefits. Not surprisingly, those who were already long-term recipients when they entered Jobs First were more likely to reach the time limit during the follow-up period.

Fewer than half of those who reached the time limit had their benefits discontinued at that point; most of those whose cases were closed were working and had income above the payment standard (the maximum grant for their family size). Just over half of those who reached the time limit were granted a six-month extension at that point because they had income below the payment standard and were deemed to have made a good-faith effort to find a job. The cases of only a few recipients with income below the payment standard were closed; thus, few people were referred to the Safety Net program designed to assist such families.

During the 15 months following the time limit, very few individuals whose grant was closed at the time limit returned to the rolls, and many of the individuals who received an extension at the time limit left welfare; a minority, however, received additional six-month extensions and continued to receive benefits throughout the period. In all, about three-fourths of those who reached the time limit were off the rolls 15 months later.

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[1] In contrast to Chapter 2, this chapter focuses specifically on the implementation of the Jobs First time limit and thus presents no information on the AFDC program.

These findings illustrate the importance of a time limit's extension policy. Although Connecticut's 21-month time limit is the shortest in the nation, in practice the generous extension policy softens the blow for parents with very low income who are deemed to have played by the rules of the program.

As expected, after recipients' benefits were discontinued at the time limit, their average combined income from earnings and public assistance dropped dramatically. Nevertheless, their average income was substantially higher than a typical nonworking family would receive from TFA and Food Stamps. Interestingly, after benefit termination, the employment rate for this group dropped over time, but the rate of TFA receipt did not increase correspondingly. This suggests that those who lose jobs are not necessarily returning to the TFA rolls.

II. How Quickly Jobs First Group Members Reach the Time Limit

Figure 3.1 illustrates how quickly Jobs First group members accumulated months of TFA benefits and how quickly they reached the time limit. The figure presents information for the early cohort of the sample (those randomly assigned between January and June 1996).[2] The upper line of the figure represents the percentage of the early cohort who accumulated at least 21 months of TFA benefits after random assignment, by the number of months that elapsed since random assignment. As the figure shows, 43 percent of the early cohort received 21 continuous months of TFA benefits after entering Jobs First. After 22 months of follow-up, 48 percent of the early cohort had received at least 21 months of TFA benefits, indicating that 5 percent of this group had left welfare for one month before returning. The percentage of the sample who received at least 21 months of TFA benefits increased slightly each month: By month 30, 53 percent of the early cohort had received at least 21 months of benefits. The fairly flat slope of the line implies that most people who left welfare did not quickly return and use up their remaining months.

If 53 percent of the sample had received at least 21 months of welfare within 30 months of entering the program, then, conversely, 47 percent had *not*. Table 3.1 presents the number of months of TFA receipt as of month 30 for the early cohort of the Jobs First group. Some sample members (5 percent) did not receive any TFA benefits, because their application was either withdrawn or denied; 9 percent of the sample received benefits for 1 to 5 months, 10 percent for 6 to 10 months, 11 percent for 11 to 15 months, and 12 percent for 16 to 20 months. (See Text Box 3.1 for a discussion of reasons that people left TFA before reaching the time limit.)

The lower line of Figure 3.1 shows the proportion of the early cohort of the Jobs First group who reached the time limit: 24 percent reached the time limit by month 21 (that is, after

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[2] In order to track sample members for a substantial follow-up period, most of the analyses in this chapter rely on the early cohort. Analysis (not presented in this chapter) shows that the time limit trends for the early sample are similar to trends for the full sample.

Text Box 3.1

Connecticut's Jobs First Program

Early Welfare Leavers Among Jobs First Group Members

Given the generous earned income disregard available to sample members in the Jobs First group, some may wonder under what circumstances recipients might leave TFA before reaching the time limit. Forty-one percent of those in the Jobs First group were considered "early welfare leavers," defined as those who were ever off welfare for at least two consecutive months but who did not receive 21 months of TFA during the two-year follow-up period.

Earnings data from the Connecticut unemployment insurance (UI) system[1] and the household size reported at the time of random assignment were used to categorize leavers: (1) those who left with earnings over the federal poverty level (37 percent), (2) those whose earned income did not appear to be greater than the federal poverty level (33 percent), and (3) those who apparently had no earnings around the time of their departure from TFA (30 percent). Eligibility and case narrative information from the Connecticut Eligibility Management System (EMS) were examined for 100 cases randomly selected from among the latter two categories of leavers to provide additional information about their case closures.[2] The additional detail provided by EMS indicated that, in fact, 15 of the 100 cases were discontinued because of earnings over the federal poverty level.[3] These cases were recategorized as having left TFA with earnings over the poverty level. Results for the remaining cases are presented below.

Reasons for Leaving TFA

Among those who had earned income below the federal poverty level:	
No longer eligible because of changes in household composition	13
Moved out of state	4
Not eligible because of child support income	4
Over income limit because of other income (for example, Social Security benefits, unemployment compensation, lump sum payments)	6
Case closure because of program violation	4
Requested closure or discontinued contact with welfare department	7
Among those who had no earned income:	
No longer eligible because of changes in household composition	10
Moved out of state	15
Not eligible because of child support income	2
Over income limit because of other income (for example, Social Security benefits, unemployment compensation, lump sum payments)	3
Requested closure or discontinued contact with welfare department	17

These results suggest that nearly half of Jobs First group members who left TFA before the time limit did so with earnings over the federal poverty level. Less than a quarter of leavers were working but had earned income below the poverty level; most commonly, changes in household composition (for example, no eligible children in the home) resulted in ineligibility for these cases. Among the remaining leavers — those with no earned income — most closures were client-initiated; people moved out of state or requested closure for other reasons.

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[1] For about 18 percent of cases identified as leavers, earnings reported by sample members to their DSS case worker were higher than those from the UI system. Reported earnings were used in these cases.

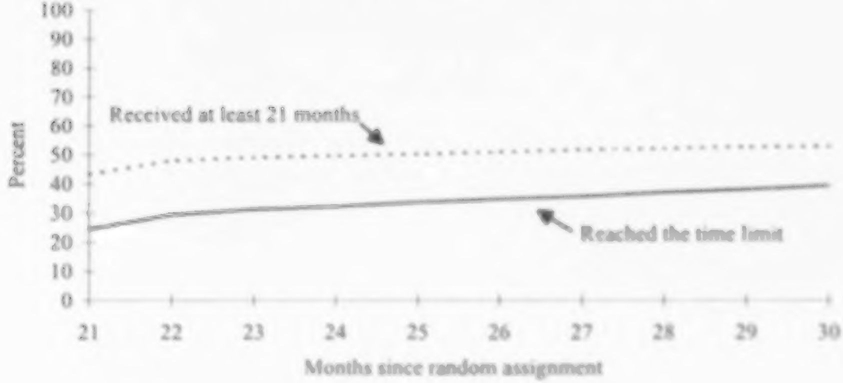
[2] Cases were selected proportionate to their representation among early welfare leavers.

[3] In six of these cases, the household size had decreased from that reported at the time of random assignment, lowering the applicable income threshold. The other nine cases were closed because their projected earnings (based on anticipated hourly wages and hours of employment) used to calculate TFA eligibility were higher than the poverty level.

Figure 3.1

Connecticut's Jobs First Program

Proportion of the Jobs First Early Cohort Who Received at Least 21 Months of TFA Benefits and Proportion Who Reached the Time Limit



SOURCE: MDRC calculations using Connecticut AFDC/TFA records.

NOTE: The early cohort includes sample members who were randomly assigned between January and June 1996.

continuous receipt), 29 percent by month 22, and 39 percent by month 30. The difference between the two lines on the figure represents the percentage of sample members who received 21 months of cash assistance but did not receive 21 *countable* months of cash assistance; they were exempt for some of their months on TFA. As the lines indicate, a substantial proportion of sample members who received at least 21 months of TFA benefits did not reach the time limit. For example, by month 30, 53 percent of the early cohort had received at least 21 months of benefits, but only 39 percent had reached the time limit; in other words, only about three-fourths of those who had received 21 months or more of benefits had reached the time limit. (Chapter 2 noted that, overall, about 26 percent of Jobs First group members were exempt from the time limit at some point within two years after their random assignment date.)

It is important to note that reaching the time limit is not synonymous with losing cash benefits. In fact, an analysis presented in Section IV shows that fewer than half of those who reached the time limit had their grant closed.

Table 3.1

Connecticut's Jobs First Program

Distribution of Months of TFA Receipt and Months of Countable TFA Receipt Within 30 Months of Random Assignment for the Jobs First Early Cohort

Measure	Percent of Sample
Months received TFA benefits	
0	4.8
1 to 5	9.3
6 to 10	10.1
11 to 15	11.1
16 to 20	11.8
21 or more	53.0
Months of TFA receipt counted toward the time limit	
0	12.8
1 to 5	8.1
6 to 10	9.9
11 to 15	12.5
16 to 20	17.4
21 or more	39.4
Sample size	1,059

SOURCE: MDRC calculations using Connecticut AFDC/TFA records.

NOTES: The early cohort includes sample members randomly assigned between January and June 1996.

Distributions may not add to 100 percent because of rounding.

By month 30, 61 percent of the early cohort had not reached the time limit. As Table 3.1 shows, 31 percent had received 10 or fewer countable months of benefits, and another 30 percent had received between 11 and 20 countable months of benefits.[3]

III. The Time Limit Review Process

Drawing from field research, this section describes the review process that occurs when TFA recipients reach the time limit. As discussed earlier in this report, Jobs First includes provisions for six-month extensions of TFA benefits under certain circumstances. The key step in determining whether recipients will receive an initial extension is the exit interview, which is scheduled to occur during recipients' 20th countable month of benefit receipt. The program does not limit the number of extensions recipients can receive, as long as they continue to meet all of the qualifying conditions. People who are granted a six-month extension are scheduled for another exit interview during the fifth month of the extension, if they are still receiving cash benefits at that point. These subsequent exit interviews generally follow the same process as the 20-month interviews. Until July 1998, exit interviews were conducted by DSS case maintenance workers; in some instances, employment services workers also participated. Since then, the interviews have been conducted by DSS Family Independence Representatives (FI-Reps).

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[3] The numbers in this section use the entire early cohort as the base. As noted, 5 percent of the Jobs First group members in the early cohort (51 of 1,059) never received TFA benefits in the 30 months following random assignment. Considering only the 1,008 Jobs First group members who did receive TFA benefits, 45 percent received 21 continuous months of benefits (received 21 months of benefits by month 21) and 26 percent reached the time limit (received 21 *countable* months) by month 21. By month 30, 56 percent of this group had received at least 21 months of benefits and 41 percent had reached the time limit.

After establishing that the recipient still meets TFA eligibility requirements, such as having a child in the home and not exceeding asset limits, staff assess each case by asking four basic questions (see Figure 3.2).

1. **Is the recipient eligible for an exemption?** If she is, her time limit clock is suspended; she continues to receive benefits, but months of receipt do not count toward the 21-month time limit. If she is not, staff ask the second question.
2. **Is the recipient's family income equal to or greater than the payment standard (the maximum grant amount for her family size)?** If it is, her benefits are discontinued (although she may reapply later if her income drops); if it is not, staff ask the third question.
3. **Has she made a good-faith effort to find and retain employment?** If she has, she is granted an extension. If she has not, staff ask the fourth question.
4. **Are there circumstances beyond the recipient's control that prevent her from working?** If there are, she is granted an extension. If there are not, her benefits are discontinued.

In addition, during the exit interview staff redetermine eligibility for Food Stamps and Medicaid and refer people to appropriate services. The following sections describe in more detail the time limit review process.

A. Determining Whether an Exemption Applies

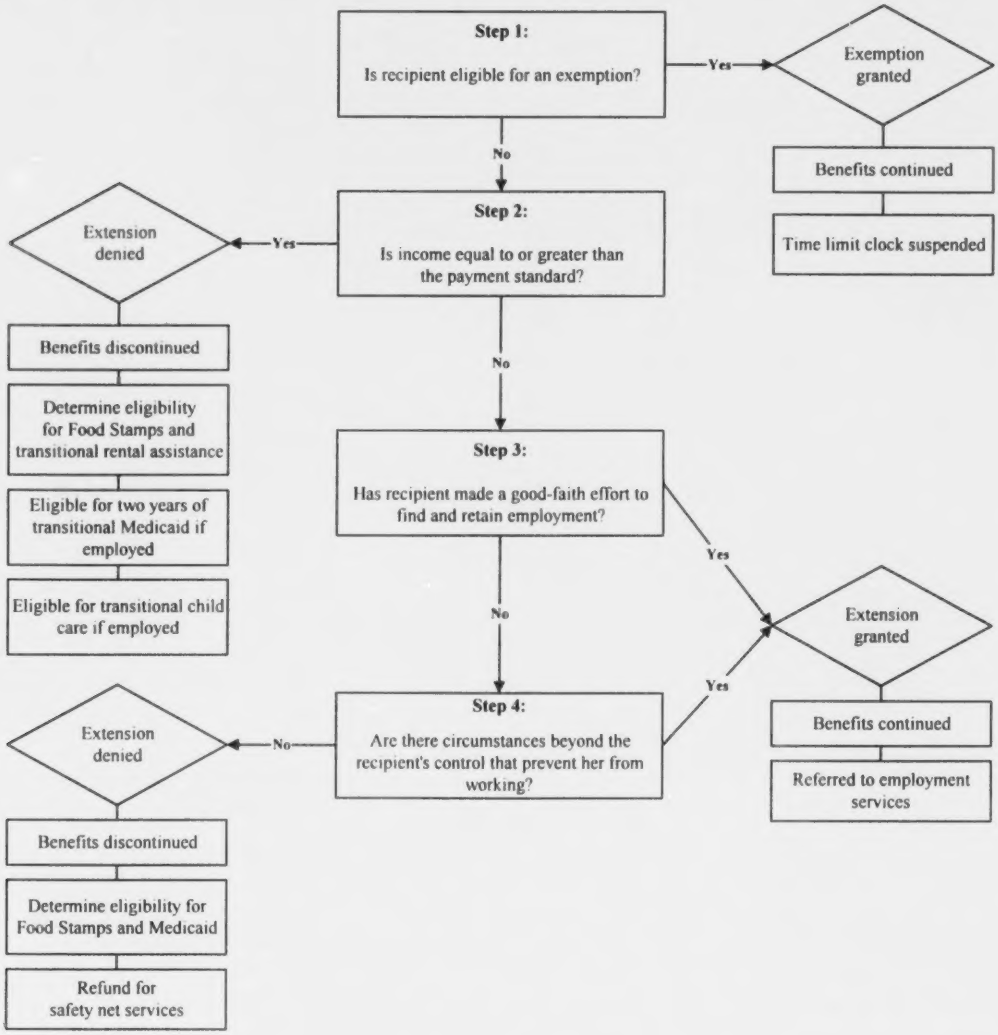
After checking the accuracy of recipients' time limit clock counter, the first step in an exit interview is to determine whether they are eligible for an exemption from the Jobs First program. As noted in Chapter 1, those who are exempt are not required to participate in any employment-related activities and their time limit clock is suspended (they continue to receive TFA benefits, but months of receipt do not count towards the 21-month time limit). Although recipients may not have been previously exempt from Jobs First, by the time of the exit interview new conditions may have arisen that qualify them for an exemption. Alternatively, a situation that qualified them for an exemption may have existed previously without being identified.

At the exit interview, DSS staff review the exemption criteria with recipients and ask them to sign a form that indicates whether or not they want to request an exemption. Some staff read the form aloud to ensure that recipients understand all possible exemption reasons; other workers ask the recipients to read the form.

Figure 3.2

Connecticut's Jobs First Program

Simplified Illustration of the Jobs First 20-Month Exit Interview Process


Step 1:
Is recipient eligible for an exemption?
Yes
Exemption granted
Benefits continued
Time limit clock suspended
No
Step 2:
Is income equal to or greater than the payment standard?
Yes
Extension denied
Benefits discontinued
Determine eligibility for Food Stamps and transitional rental assistance
Eligible for two years of transitional Medicaid if employed
Eligible for transitional child care if employed
No
Step 3:
Has recipient made a good-faith effort to find and retain employment?
Yes
Extension granted
Benefits continued
Referred to employment services
No
Step 4:
Are there circumstances beyond the recipient's control that prevent her from working?
Yes
No
Extension denied
Benefits discontinued
Determine eligibility for Food Stamps and Medicaid
Refund for safety net services

SOURCE: Connecticut Department of Social Services policy and procedure information.

NOTE: Recipients must meet all TFA eligibility requirements, such as having a child in the home and not exceeding asset limits, to receive either an exemption or an extension.

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DSS staff reported that it is rare for someone to receive an exemption during an exit interview. They said that some recipients appear to be "low functioning" or to have mental health problems that could prevent them from succeeding in the workplace, but are not approved for exemptions because they are not truly "incapacitated." Staff predicted that some of these individuals might never find a job with wages above the payment standard, particularly if they have several children (and thus are at a higher payment standard). They thought that it might be difficult for some of these recipients to comply with program requirements, and during extensions any noncompliance can result in permanent benefit discontinuance.

B. Measuring Income

If recipients are not exempt from the Jobs First program, the second step in the exit interview is to calculate their monthly income. If it is equal to or greater than the payment standard, the maximum grant amount for their family size, they are not eligible for an extension. (See Table 1.2 for the payment standard for three family sizes.)

Income for this determination includes all household income, including earned income (minus a $90 work expense allowance) and unearned income, such as income from child support (but not income from TFA or Food Stamps). DSS staff generally measure earned income by examining recent pay stubs or other relevant records; many staff contact employers to verify earned income. As mentioned in Chapter 2, the earnings information recorded in the Eligibility Management System (EMS) is sometimes out of date. At the exit interview, many people who were assumed to be working report that they are no longer employed. (Until the exit interview, recipients have little incentive to report job losses, since they generally do not affect their cash benefits.) When recipients report that they are no longer employed, the question is whether they quit the job without good cause or were fired for willful misconduct during the last six months of assistance; if either is discovered to be true, they are determined not to have made a good-faith effort to find employment (discussed below).

Recipients whose income is equal to or greater than the payment standard are considered over income and are not eligible for an extension. They are likely to be eligible for up to two years of transitional Medicaid, since this benefit is provided to those who are employed when their case closes, and they may be eligible for Food Stamps. While people are in the Jobs First program, their cash assistance grant is counted as income in determining their Food Stamp benefit. However, the enhanced earned income disregard applies to the Food Stamp grant calculation — so all earnings are disregarded as long as recipients are earning below the federal poverty level. When recipients lose their TFA grant, the grant amount is no longer counted against their Food Stamp benefits, but they also lose the enhanced earned income disregard.[4] These two changes work in opposite directions, but for many individuals they result in a lower Food Stamp benefit than before the time limit.

Figure 3.3 illustrates the drop in monthly income for families whose benefits are discontinued because their income is above the payment standard. The figure shows this drop for a parent with earnings just above the payment standard and for a parent with earnings just below the poverty level. In the first scenario, a parent who works 25 hours per week at $6.25 per hour loses $542 of income after the time limit. In the second scenario, a parent who works 40 hours per week at $6.25 per hour loses $688. As the figure shows, parents who work full time experience a sharp decline in their Food Stamp benefit amount (from $247 to $101); in the Food Stamp benefit calculation, the loss of the earned income disregard — and the corresponding increase in the amount of earnings counted in the calculation — more than offsets the decrease in cash assistance.

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[4] Some staff mentioned that recipients who took advantage of the Jobs First higher vehicle exclusion policy to obtain a reliable car may have found, after their TFA benefits were discontinued, that this vehicle disqualified them from receiving Food Stamps.

For the examples in Figure 3.3, the income drop at the time limit is a secondary effect of the Jobs First earned income disregard policy. The figure illustrates how much income the same families would have under traditional AFDC rules (that is, without the disregard). Parents who work full time would be ineligible for cash assistance, and thus would have the same income as the Jobs First participants after their grant was discontinued; parents who work part time would be eligible for a small cash grant. The horizontal line shows that under any of the scenarios, working parents, even those working part time, would have more income than parents who were receiving cash assistance and not working (although expenses might also be lower for nonworking parents).

Recipients whose grant is closed because they are over income may be granted an extension later if their income drops below the payment standard and they have made a good-faith effort to find employment (before reaching the time limit and afterward). DSS training materials note that people may request an extension at any point from the 20th month onward but do not emphasize that staff should remind them of this fact when they are denied an extension. Some DSS staff said that they routinely tell this to recipients, but other staff are much less direct.

C. Determining Whether Recipients Made a Good-Faith Effort

If recipients are not exempt from Jobs First and do not have income equal to or greater than the payment standard, then the third step in the exit interview is to determine whether they have made a good-faith effort to find and retain employment. Generally, if they have followed the rules of the Jobs First program, they are considered to have made a good-faith effort and are granted an extension. They may then be referred for employment services to help them find a job or increase hours of work.

Staff in Manchester and New Haven said that most of the recipients with income below the payment standard at their 20-month exit interview are determined to have made a good-faith effort and, thus, are granted an extension. Some recipients are denied subsequent extensions based on lack of good-faith effort (see, for example, Figure 3.5).

1. The initial good-faith determination. The Jobs First program stipulates that recipients are assumed to have made a good-faith effort if *none* of the following conditions is true:

1. They failed the work test[5] and had one employment services sanction during the first 20 months of TFA receipt; or

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[5] As noted in Chapter 2, the work test was a checklist used early in the follow-up period to verify that individuals had been searching for a job.

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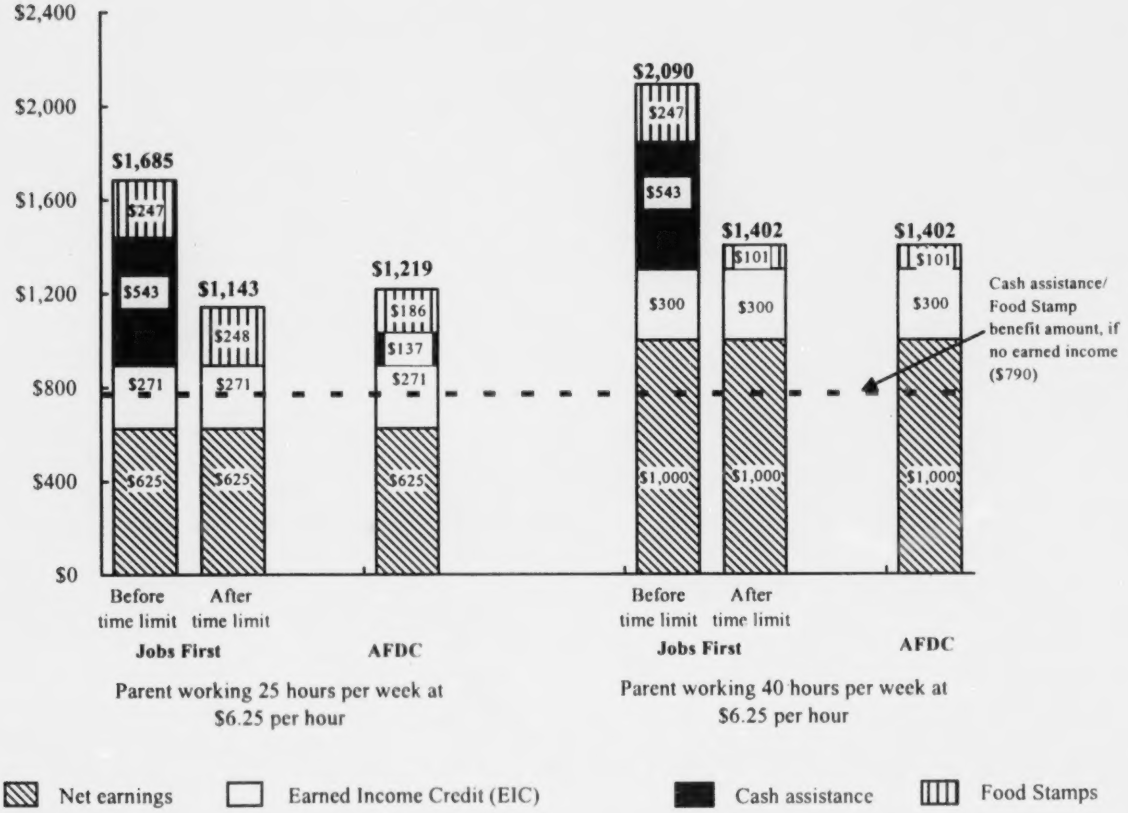
Figure 3.3

Connecticut's Jobs First Program

Examples of Monthly Family Income Before and After the Jobs First Time Limit for an Employed Parent with Two Children Whose TFA Benefits Are Discontinued for Income Exceeding the Payment Standard



SOURCES: MDRC calculations based on AFDC/TFA, Food Stamp, and federal and State of Connecticut income tax rules for June 1998.

NOTES: Calculations do not account for work-related expenses and assume the parent has no income from sources not shown (e.g., child support, Supplemental Security Income).

The Food Stamp calculation assumes a monthly rental expense of $366. This calculation disregards 70 percent of net income, which includes the AFDC/TFA grant but excludes a $134 standard deduction and up to $250 of excess shelter costs. For clients in the Jobs First group, all earned income is disregarded before the time limit, and 20 percent of earned income is disregarded after the time limit. For clients in the AFDC group, 20 percent of earned income is disregarded.

(continued)

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Figure 3.3 (continued)

The Jobs First cash assistance calculation disregards all earned income before the time limit. The AFDC cash assistance calculation disregards $120 in earned income (in accordance with rules for the 5th through 12th months of employment), and applies fill-the-gap budgeting rules.

The EIC amount reflects one-twelfth of the total annual credit, although most families receive the credit in an annual lump sum.

Monthly net earnings are calculated by subtracting applicable payroll taxes from gross earnings. Federal and state income taxes do not apply at these income levels.

Rounding may cause slight discrepancies in the calculation of sums.

2. They received two or more employment services sanctions during the first 20 months of TFA receipt; or
3. They did any one of the following things without good cause during the last six months of TFA receipt: quit a job, refused a job, were fired from a job for willful misconduct, reduced hours of employment, or refused additional hours of employment.

The first two good-faith conditions are straightforward: Good faith is presumed unless there are specific indicators of program noncompliance (failing the work test and sanctions).[6] Workers conducting exit interviews can easily check for such indicators using EMS and/or recipients' case files. As discussed in Chapter 2, several factors have made it difficult for staff to closely monitor recipients' participation in employment activities during the pre-time limit period, and few recipients have been sanctioned. In many cases, it may not be clear precisely what the recipients were doing while in the program, but if they had not failed the work test or had not been sanctioned, they would pass the first two good-faith conditions. In other words, these good-faith conditions are based on the absence of evidence of noncompliance rather than on evidence of compliance.

The third good-faith condition listed above, based on various employment issues, is less straightforward and often relies on staff members' subjective assessments. If recipients, within the last six months of assistance, quit or refused a job, were fired from a job for willful misconduct, or reduced hours or refused additional hours of hours of work, the staff member must evaluate whether or not they had good cause for this behavior. DSS supervisors and staff reported that there is "a lot of gray" in making this good-cause determination and acknowledged that different workers might make different determinations based on the same evidence (this is also true for good-cause decisions made during the pre-time limit period). At the same time, they were skeptical that more detailed rules would ensure uniformity across workers and cases, because there are too many variables to anticipate. In New Haven, supervisors meet regularly, in part to review cases to try to develop consistent ways of determining good cause.

Many cases require extensive investigation, including talking with former employers, but staff reported that it often remains unclear why recipients left a job, reduced hours, and so on. One important factor is whether the recipients are approved for unemployment insurance (UI) benefits, which generally are not available to those who voluntarily quit their job or were fired for willful misconduct (individuals are supposed to pursue other income sources, including UI, before turning to welfare). DSS rules state that good cause should be assumed if recipients are approved for UI, but that further investigation is required if their UI application is denied (because the DSS definition of good cause is more expansive than the UI definition). The UI process may affect how employers describe a job separation: Employers have an incentive to characterize separations as voluntary quits or terminations for willful misconduct because their UI taxes may increase if former employees receive benefits.

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[6] This is not to say that the original decision about whether to sanction recipients or to grant good cause was necessarily straightforward. For example, if a recipient missed some sessions of a program employment activity, it may be difficult to evaluate whether the reasons for not attending constitute good cause.

Although DSS staff were familiar with their department's policies regarding UI approval, it appeared that some of them rely quite heavily on the UI determination; for example, some workers said that if a recipient's UI application was denied because it was determined that she had quit voluntarily or been fired for willful misconduct, they would be very unlikely to grant good cause. Some DSS staff also expressed frustration that the Department of Labor sometimes approves UI benefits in situations in which, in their view, former employees clearly quit voluntarily or were fired for willful misconduct (benefits may be approved if the employer fails to show up for the UI determination hearing).

Some staff reported that they weigh recipients' history and effort level: If recipients have been responsible and have tried to solve problems that have arisen, staff are more likely to conclude good cause than if they have been uncooperative. Others mentioned that when determining good cause, they weigh whether they would win a fair hearing. They noted that in order to win a hearing, DSS must have documentation of the noncompliance, and in some cases this is difficult to obtain. For example, staff noted that some employers are willing to discuss job separations candidly by phone, but are unwilling to put anything in writing, for fear that their statements might be used as evidence in a lawsuit.

In New Haven, FI-Reps are required to keep a monthly log of all of their conciliations and good causes granted. Although DSS managers reported that their goal is not to increase sanctions or grant closures, some staff reported that they feel pressure to less readily grant good cause. (As noted in Chapter 2, the New Haven office consistently has lower sanctioning rates than other DSS offices.) Manchester staff said they felt no pressure in either direction.

Most staff members seem to err on the side of granting extensions in uncertain situations. For example, in one case that MDRC staff reviewed in 1998, the DSS staff member granted a good-faith extension even though the recipient had recently quit a job; the recipient said she had quit because she was pregnant and could not lift heavy objects, and she produced a physician's confirmation. In another case, a staff member granted an extension when a recipient had quit a job after becoming homeless. In New Haven, when a recipient's income is below the payment standard, FI-Reps must discuss the case with their supervisor before assistance can be discontinued; the supervisor and the DSS office manager must sign off on each case closure.

During extensions, recipients are officially subject to a one-strike policy: those who fail to comply with any Jobs First requirements without good cause can lose their grant permanently. In practice, however, most staff give people a few chances before they record the official strike. During interviews staff said that because permanent grant cancellation is "so harsh," the noncompliance has to be very obvious, and that most recipients whose grants were closed during an extension were given several chances to comply. In addition to the issues described above regarding job separations, DSS staff also reported that it is often difficult to sort out the circumstances regarding noncompliance with employment services requirements during extensions, in large part because no single DOL or RWDB case manager is responsible for each case. (As discussed in Chapter 2, a new case management system is being implemented to improve participant monitoring.) In general, the program seems to be somewhat tougher during extensions than during the pre-time limit period, but not as tough as the one-strike policy may sound.

2. Restoring good faith. Recipients who are determined not to have made a good-faith effort to find and retain employment can restore good faith by successfully completing an Individual Performance Contract (IPC). As discussed in more detail in Chapter 2, this typically entails complying with an employability plan that prescribes work-related activities. By the time of the exit interview, some recipients have successfully completed an IPC, and thus have restored good faith and will receive an extension, and others have failed to complete an IPC and will not be granted an extension (unless there are circumstances beyond their control, as described in the following section). Recipients who are deemed not to have made a good-faith effort and have not yet been offered an IPC are offered one at the exit interview. (IPCs are offered only during the first 21 months of TFA receipt, not during extensions.) As is noted in Chapter 2, most recipients who begin IPCs successfully complete them and restore good faith.

D. Determining Whether There Are Circumstances Beyond Recipients' Control

If recipients are not eligible for an exemption, do not have income equal to or greater than the payment standard, and were not determined by DSS staff to have made a good-faith effort to find employment (and did not restore good faith through an IPC), then the fourth step in the exit interview is to establish whether there are circumstances beyond recipients' control that currently prevent them from working; if so, they are eligible to receive an extension. DSS considers circumstances beyond control to be unusual or unexpected events, such as domestic violence, death of an immediate family member, or a fire or flood that results in loss of housing. Staff reported that they have had little experience with this policy; it is relevant only for recipients with income below the payment standard who are deemed not to have made a good-faith effort, and there have been few such cases.

Recipients who have income below the payment standard and are denied an extension are referred to Safety Net services. These services are provided by a contractor and are designed to prevent harm to the children of families whose cash grant is closed by helping meet their basic needs. (Section VII gives more information on Safety Net services and other services offered after the time limit.)

E. Dealing With Recipients Who Fail to Attend an Exit Interview

Recipients who do not attend an exit interview do not receive an extension. Exit interviews are typically scheduled around the middle of month 20; recipients who miss their scheduled interview usually have several weeks either to show up or to contact their DSS worker before TFA benefits and Food Stamps are discontinued. DSS usually sends a notice on about the 12th day of the 21st month informing recipients that they failed to contact DSS and that their benefits will be discontinued. However, recipients who contact their worker before the end of the

21st month can still qualify for an extension without any disruption in TFA or Food Stamp benefits. For those who do not, all benefits — TFA, Food Stamps, and Medicaid — will be discontinued (as they would if a recipient missed any redetermination meeting), and transitional Medicaid will be granted only if the EMS system shows earnings for the recipient. They can still request an extension at a later point, but they are treated as new applicants and there may be an interruption in benefits.

Staff assume that most recipients who do not show up for their exit interview must have income above the payment standard and know that they would not qualify for an extension. This assumption is supported by a survey of individuals from six areas of Connecticut whose benefits were discontinued at the time limit (see Chapter 1): 77 percent of those surveyed who did not attend an exit interview reported that they were employed during their last month of benefits (although not necessarily earning above the payment standard).[7] These recipients may also assume that they are no longer eligible for Food Stamp benefits, although this may not be correct. During the early months when people started to reach the time limit, there were concerns that the exit interview notice did not make it sufficiently clear to recipients that they needed to attend the interview to continue their Food Stamp eligibility. Food Stamp benefits were discontinued for a number of clients because they did not attend an interview. DSS subsequently revised the notice and reinstated Food Stamp benefits for those whose benefits were discontinued.

There is concern that some recipients who do not attend their exit interview may have income below the payment standard and may not fully understand the purpose of the interview. They may assume that since they have reached the time limit, they must leave welfare; they may not know that it is possible to receive an extension (despite the fact that the letter scheduling them for the exit interview clearly notes this).

IV. What Proportion of Jobs First Group Members Receive an Extension?

This section focuses on a subset of Jobs First group members who received at least 21 countable months of cash assistance and thus reached the time limit. Just over half of these sample members received a six-month extension of their benefits, and all of the extensions were granted because recipients had income below the payment standard and DSS determined that they had made a good-faith effort to find employment. Among recipients who did not receive an extension at the time limit, most had income equal to or greater than the payment standard; only one was denied an extension for a lack of a good-faith effort. About one-quarter of the sample members were receiving TFA benefits 15 months after reaching the time limit.

The sample for the analysis discussed in this section is a subset of those in the early cohort of Jobs First group members (those randomly assigned between January and June 1996) who reached the time limit by March 1998.[8] The March 1998 cutoff was chosen to allow at least 15 months of post-time limit follow-up for each sample member.[9] According to TFA administrative records, 353 (or 33 percent) of the 1,059 Jobs First group members in the early cohort received at least 21 countable months of TFA benefits by March 1998. The three figures presented in this section explore a subsample of 100 randomly selected from these 353 — the *time limit subsample* (see Figure 1.4). Using data from Connecticut's Eligibility Management System (EMS) and AFDC/TFA records, the analysis examines the outcomes of exit interviews for the time limit subsample and traces their TFA activity during the 15 months following the time limit.

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[7] See Hunter-Manns et al., 1998.

[8] This method of defining the sample is not based on a uniform follow-up period; those randomly assigned earlier had more months to reach the time limit and be included in this sample and those randomly assigned later had fewer months. For example, in order to be included in this sample, people randomly assigned in June 1996 had to reach the time limit within 21 months of random assignment, but people randomly assigned in January 1996 had 26 months to reach the time limit.

A. Outcomes of the Exit Interview

Figure 3.4 shows the initial outcomes for the subset of 100 Jobs First group members who reached the time limit. As the figure illustrates, just over half of those who reached the time limit (55 of 100) were initially granted a six-month extension of their TFA benefits.[10] All of the extensions were granted because the recipients had income below the payment standard and were deemed to have made a good-faith effort to find employment. (Statewide data show that most of the extensions in Connecticut have been based on good-faith effort.)[11]

Just under half of the recipients who reached the time limit (43 of 100) had their TFA benefits discontinued at that point. Most of these individuals (32 of 43) had income that was equal to or greater than the payment standard for their family size. In general, these people would have become ineligible for welfare earlier had it not been for the enhanced earned income disregard.

Only one person had income below the payment standard and was deemed not to have made a good-faith effort to find employment. As noted earlier, those who do not attend an exit interview do not receive an extension; this occurred for 10 of the 43. (Most of these individuals were working at the time of their exit interview and may have assumed that they were not eligible for an extension.)[12]

Two of the 100 Jobs First group members were found to be eligible for an exemption from the program at their exit interview. In one case, the staff member realized that the recipient had not been granted the usual 12-month exemption when her baby was born, and she granted a retroactive exemption. In the other case, DSS granted a medical exemption.

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[9] MDRC reviewed on-line EMS case narratives for this analysis; when the analysis was conducted, on-line EMS data were available through June 1999.

[10] For this analysis, sample members who received cash assistance during month 22 (and were not exempt from Jobs First) were considered to have received an extension. Some of these recipients did not attend their exit interview when it was first scheduled, but came into the office and were granted an extension in time to prevent losing a month of assistance. Conversely, those who did not receive cash assistance during month 22 were considered to have had their grant discontinued.

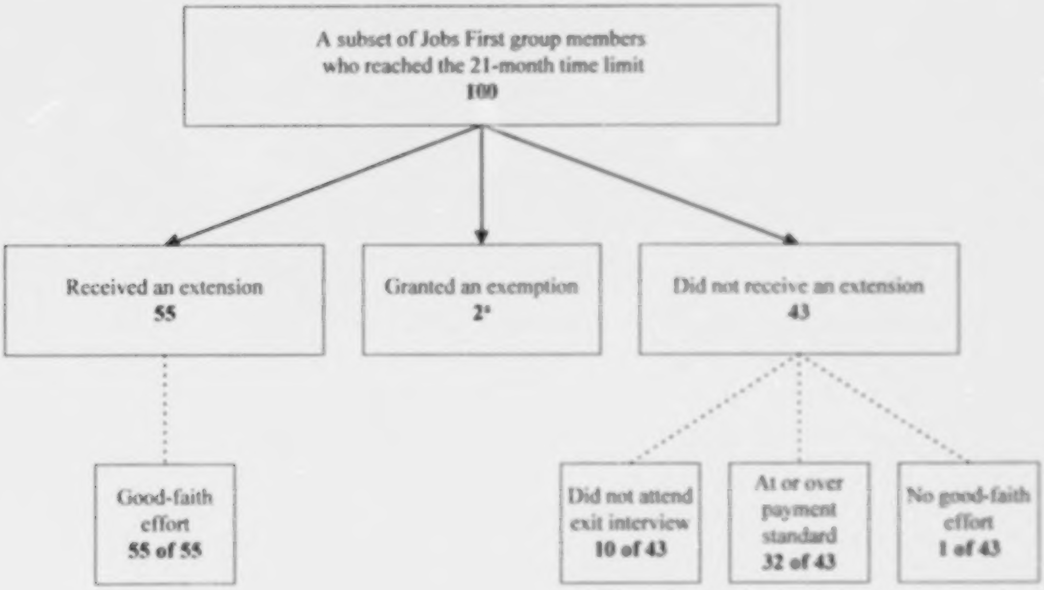
[11] From DSS monthly TFA Program Summary Reports.

[12] This conclusion is based on a combination of UI earnings data and data on reported earnings obtained from EMS.

Figure 3.4

Connecticut's Jobs First Program

Outcomes of Exit Interviews for the Time Limit Subsample


A subset of Jobs First group members who reached the 21-month time limit
100
Received an extension
55
Granted an exemption
2[a]
Did not receive an extension
43
Good-faith effort
55 of 55
Did not attend exit interview
10 of 43
At or over payment standard
32 of 43
No good-faith effort
1 of 43

SOURCES: MDRC calculations using Connecticut Eligibility Management System (EMS) data and Connecticut AFDC/TFA records.

NOTES: The time limit subsample is a random subset of 100 of the 353 Jobs First group members in the early cohort (single parents randomly assigned between January and June 1996) who reached the time limit by March 1998.

[a] Two cases became exempt immediately following the 21st month of TFA receipt. One exemption was granted retroactively because the recipient had not received a 12-month exemption in the prior year when her baby was born. This set her time limit clock back and thus she had not received 21 countable months of benefits by the end of the 15-month follow-up period. The second case received a medical exemption at the exit interview. The exemption ended six months later, and the recipient then received extensions throughout the 15-month period. These cases do not appear in Figures 3.5 or 3.6.

In sum, of the 58 people who attended an exit interview and had income below the payment standard, only 1 had her benefits discontinued; 55 were granted extensions, and 2 received exemptions.[13] (Statewide, very few people with income below the payment standard have been denied extensions.)[14]

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[13] The two recipients who received exemptions are assumed to have had income below the payment standard.

[14] From DSS monthly TFA Program Summary Reports.

B. TFA Status During the 15 Months After the Time Limit

Figures 3.5 and 3.6 track the TFA activity during the 15 months following the time limit for the 55 individuals who initially received an extension (Figure 3.5) and the 43 who did not (Figure 3.6). The two recipients who were granted an exemption at their exit interview are not included in either figure.[15] (Section VI presents information on employment and public assistance for people who reached the time limit, measured before and after the time limit.)

As the third row of boxes in Figure 3.5 shows, well over half of the individuals who initially received an extension (33 of 55) left TFA at some point during the 15 months following the time limit and did not return to the rolls. About one-fifth of these cases (7 of the 33) were closed during an extension because their income rose to equal or exceed the poverty level (that is, they became ineligible to receive TFA benefits). One-third of these cases (12 of the 33) were closed at a subsequent exit interview because their income rose to equal or exceed the payment standard. Although recipients in extensions are subject to the one-strike noncompliance policy discussed earlier, only six recipients were found to have been noncompliant with Jobs First requirements (no good-faith effort); these individuals' benefits were permanently discontinued (unless they later qualify for an exemption from the program or face circumstances beyond their control). Eight cases were closed for other reasons.[16] A small number of recipients (6 of 55) left and subsequently returned to the TFA rolls during the 15-month follow-up period.

Just under a third of the individuals who initially received an extension (16 of 55) received TFA benefits throughout the 15 months after the time limit. Most of these recipients (13 of the 16) continued to receive extensions throughout the period. Three of the recipients received at least one additional extension, but also were exempted from the program for at least one month during the follow-up period.

Figure 3.5 also shows that 15 months after reaching the time limit roughly one-third of those who initially received an extension (20 of 55) were receiving TFA benefits and two-thirds (35 of 55) were not.

Figure 3.6 tracks the TFA activity for the 43 people whose grants were closed when they reached the time limit; most of them (38 of 43) never came back on the TFA rolls during the 15 months following the time limit. Some of these individuals (11 of the 38) applied for an extension at some point during the follow-up period, but their application was denied.[17] Five of the 43 recipients who did not receive an extension at their exit interview qualified for an extension at some later point and returned to the rolls. By the end of the 15-month follow-up period, almost

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[15] The retroactive exemption resulted in the recipient's time limit clock being set back; thus, she had not received 21 countable months of assistance by the end of the 15-month follow-up period. The second case received a medical exemption for six months and then received extensions based on good-faith effort for the rest of the follow-up period.

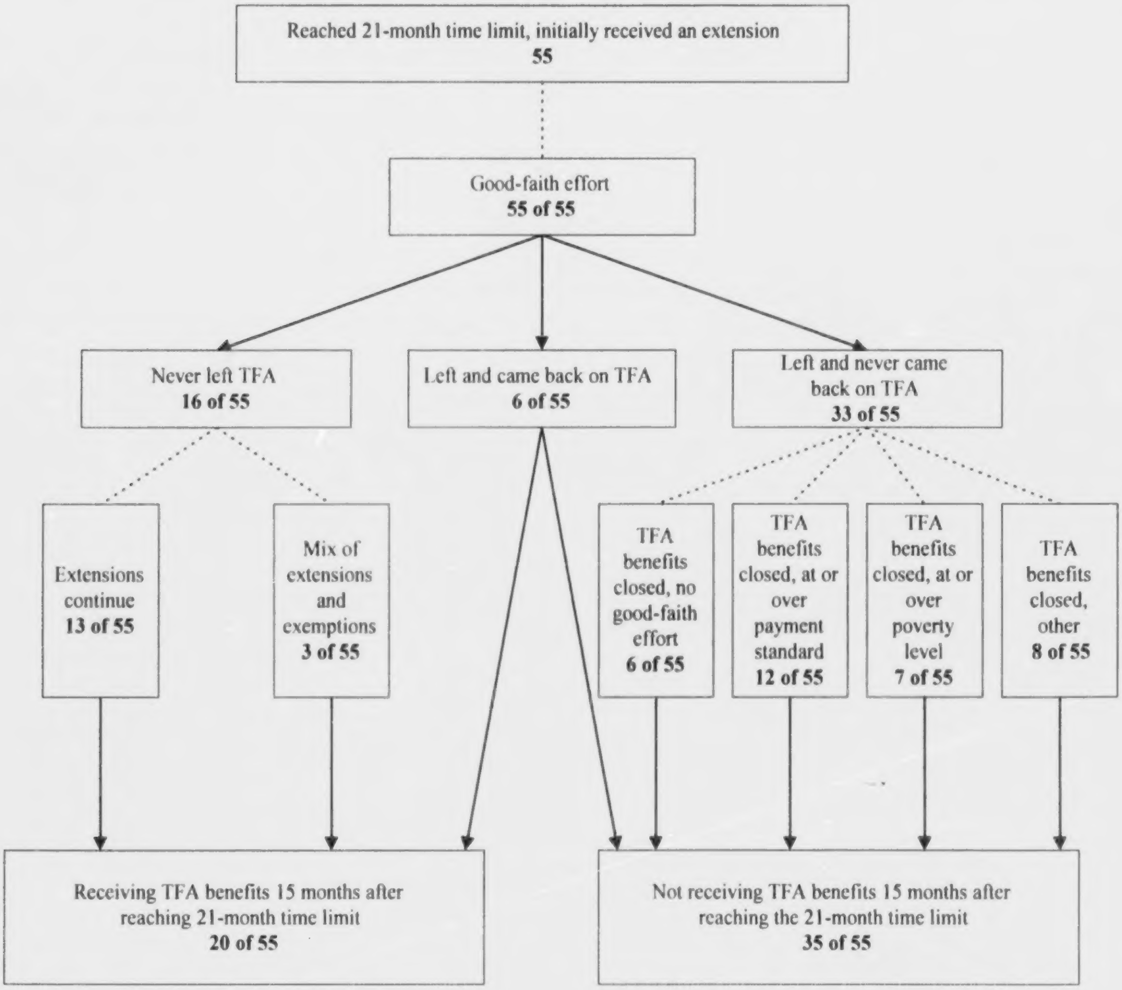
[16] Three individuals moved out of the state, one became ineligible for TFA benefits because she began to receive Supplemental Security Income (SSI) benefits, one became ineligible for TFA benefits because he was incarcerated, and one chose to stop receiving benefits. No closure reason was provided in EMS for two of the cases.

[17] The most common reasons for grant denial were having income at or above the payment standard and not completing the application paperwork. One person's application was denied because she was deemed not to have made a good-faith effort to find a job during her time on welfare.

Figure 3.5

Connecticut's Jobs First Program

Status During the 15-Month Period Following the Time Limit for Time Limit Subsample Members Who Initially Received an Extension



Reached 21-month time limit, initially received an extension
55
Good-faith effort
55 of 55
Never left TFA
16 of 55
Left and came back on TFA
6 of 55
Left and never came back on TFA
33 of 55
Extensions continue
13 of 55
Mix of extensions and exemptions
3 of 55
TFA benefits closed, no good-faith effort
6 of 55
TFA benefits closed, at or over payment standard
12 of 55
TFA benefits closed, at or over poverty level
7 of 55
TFA benefits closed, other
8 of 55
Receiving TFA benefits 15 months after reaching 21-month time limit
20 of 55
Not receiving TFA benefits 15 months after reaching the 21-month time limit
35 of 55

SOURCES: MDRC calculations using Connecticut Eligibility Management System (EMS) data and Connecticut AFDC/TFA records.

NOTE: The time limit subsample is a random subset of 100 of the 353 Jobs First group members in the early cohort (single parents randomly assigned between January and June 1996) who reached the time limit by March 1998.

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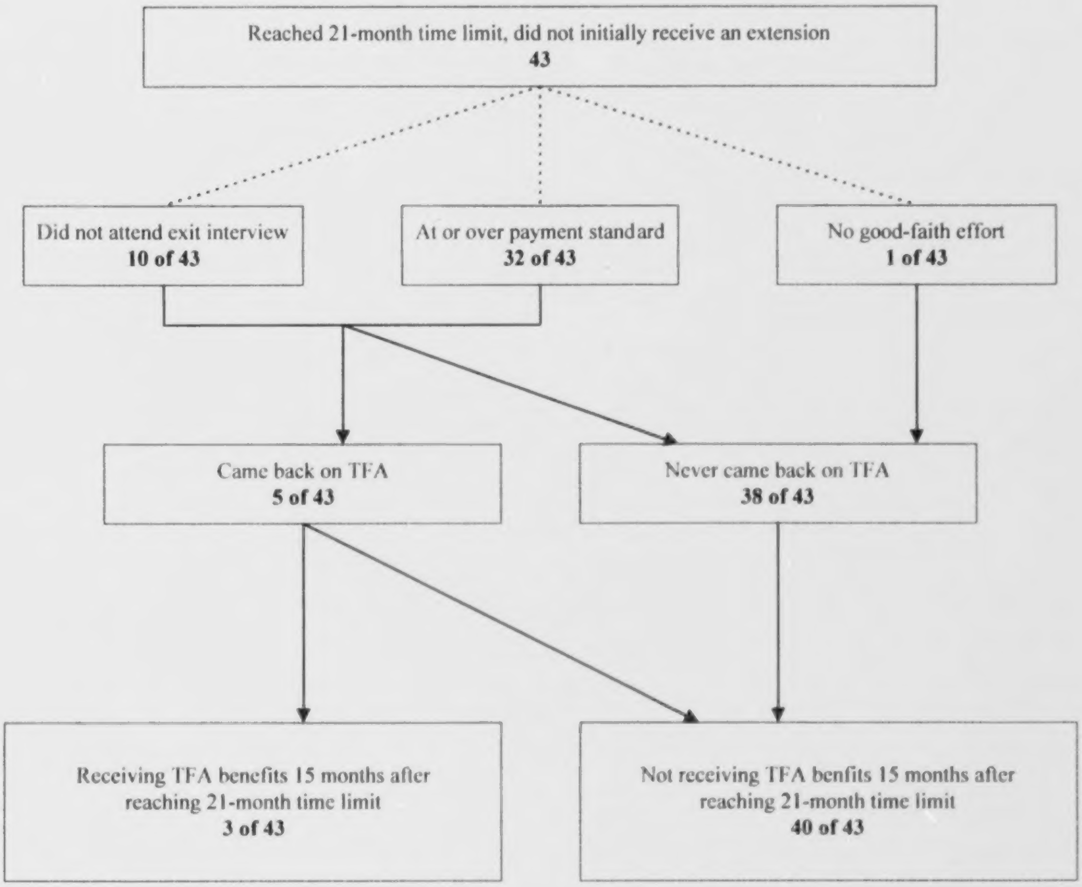
Figure 3.6

Connecticut's Jobs First Program

Status During the 15-Month Period Following the Time Limit for Time Limit Subsample Members Who Did Not Initially Receive an Extension


Reached 21-month time limit, did not initially receive an extension
43
Did not attend exit interview
10 of 43
At or over payment standard
32 of 43
No good-faith effort
1 of 43
Came back on TFA
5 of 43
Never came back on TFA
38 of 43
Receiving TFA benefits 15 months after reaching 21-month time limit
3 of 43
Not receiving TFA benfits 15 months after reaching 21-month time limit
40 of 43

SOURCES: MDRC calculations using Connecticut Eligibility Management System (EMS) data and Connecticut AFDC/TFA records.

NOTE: The time limit subsample is a random subset of 100 of the 353 Jobs First group members in the early cohort (single parents randomly assigned between January and June 1996) who reached the time limit by March 1998.

all of the individuals whose grants were closed at the time limit (40 of 43) were not receiving benefits.

Of the 100 recipients in the time limit subsample, about two-thirds were allowed to receive TFA benefits at some point in the subsequent 15 months (55 who initially received an extension, 2 who were exempted, and 5 who did not initially receive an extension, but were granted one later), but only about one-quarter (23) were still receiving benefits 15 months after reaching the time limit.

V. Who Is Reaching the Time Limit and Who Is Getting Extensions?

This section compares various characteristics of three groups from the early cohort of the Jobs First group: those who reached the time limit by March 1998 and initially received an extension; those who reached the time limit by March 1998 and had their grant closed; and those who did not reach the time limit by March 1998 (because they had not accumulated enough countable months of TFA assistance). The characteristics were recorded by welfare staff on Background Information Forms just before sample members were randomly assigned.

As expected, those who were already long-term recipients when they entered the program were more likely to quickly reach the time limit. As Table 3.2 shows, the majority of those who reached the time limit had received benefits for two years or more at the point of random assignment, whereas the majority of those who did not reach the time limit had received welfare for less than two years. People who reached the time limit were also more likely to have been living in public or subsidized housing at the time of random assignment, to be black, and to have more children.[18]

Given that the majority of those whose benefits were discontinued at the time limit were over income, it would be expected that these sample members were more employable than sample members who received an extension. As the table shows, this is indeed true: Those whose grants were closed were more likely to have work experience, both full-time and recent, and to have had a job at random assignment. They were also more likely to have a GED, high school diploma, or other degree.

VI. Economic Status After the Time Limit

This section presents information on the economic status of individuals after they reached the time limit. It considers income from employment, cash assistance, and Food Stamps, and, using data from in-depth interviews with a small group of sample members, presents some information on other sources of income.

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[18] Larger families are more likely to reach the time limit because they need to earn more in order to become ineligible for TFA before reaching the time limit (the federal poverty level income limit varies by family size).

Table 3.2

Connecticut's Jobs First Program

Selected Characteristics of the Jobs First Early Cohort at the Time of Random Assignment, by Time Limit Status

Characteristic	Had Not Reached Time Limit by March 1998	Reached Time Limit by March 1998, Received Extension	Reached Time Limit by March 1998, Benefits Discontinued
Demographic characteristics			
Age (%)			
Under 20	10.0	5.6	7.6
20-24	24.4	19.7	14.4
25-34	36.9	41.8	53.8
35 and over	28.7	32.9	24.2
Average age (years)	30.0	31.0	30.6
Race/ethnicity (%)			
White, non-Hispanic	37.8	31.1	35.7
Black, non-Hispanic	37.1	46.1	46.8
Hispanic	24.2	22.8	16.7
Other	0.9	0.0	0.8
Family status			
Marital status (%)			
Never married	63.3	68.3	69.8
Married, living with spouse	0.9	2.4	1.6
Married, living apart	15.9	12.8	14.7
Separated	6.8	6.6	3.9
Divorced	12.2	10.0	9.3
Widowed	0.9	0.0	0.8
Number of children (%)			
None[a]	10.6	1.4	3.0
1	47.3	32.4	43.2
2	23.5	27.2	28.0
3	11.5	21.1	15.9
4 or more	7.1	17.8	9.9
Average number of children	1.6	2.3	1.9
Youngest child's age (%)			
2 or under	43.6	34.3	28.9
3-5	20.3	25.2	27.3
6 or over	36.0	40.5	43.8
Employment status			
Ever worked (%)	87.3	83.6	89.4
Ever worked full time for six months or more for one employer (%)	59.3	51.7	61.6
Any earnings in past 12 months (%)	49.3	31.6	54.8
Employed at random assignment (%)	18.9	14.2	34.4

(continued)

Table 3.2 (continued)

Characteristic	Had Not Reached Time Limit by March 1998	Reached Time Limit by March 1998, Received Extension	Reached Time Limit by March 1998, Benefits Discontinued
Educational status			
Highest degree/diploma earned (%)			
GED[b]	11.2	11.0	15.0
High school diploma	48.3	39.1	46.5
Technical/two-year college degree	6.3	2.4	5.5
Four-year (or more) college degree	2.5	1.0	2.4
None of the above	31.8	46.7	30.7
Highest grade completed in school (average)	11.3	11.0	11.4
Enrolled in education or training during the past 12 months (%)	24.0	19.0	34.6
Public assistance status			
Aid status (%)			
Applicant	38.9	14.6	26.5
Recipient	61.2	85.5	73.5
Total prior AFDC receipt[c] (%)			
None	20.1	7.6	5.5
Less than 2 years	34.4	17.1	29.7
2 years or more but less than 5 years	18.1	23.7	21.1
5 years or more but less than 10 years	16.3	28.9	26.6
10 years or more	11.2	22.8	17.2
Resided as a child in a household receiving AFDC (%)	26.4	24.2	26.4
Housing status			
Current housing status (%)			
Public housing	7.0	17.0	14.6
Subsidized housing	19.9	34.5	27.7
Emergency or temporary housing	2.0	1.0	2.3
None of the above	71.1	47.6	55.4
Sample size	677	213	132

SOURCE: MDRC calculations using Background Information Form data.

NOTES: The early cohort includes single-parent sample members randomly assigned between January and June 1996. Thirty-seven sample members with missing Background Information Forms are not included.

Sample members who received TFA benefits during the month after reaching the time limit are considered to have received an extension.

Invalid or missing values are not included in individual variable distributions.

Distributions may not add to 100 percent because of rounding.

[a] This category includes sample members who were pregnant with their first child at the time of random assignment.

[b] The General Educational Development (GED) certificate is given to those who pass the GED test and is intended to signify knowledge of basic high school subjects.

[c] This refers to the total number of months accumulated from one spell or more on an individual's own or spouse's AFDC case. It does not include AFDC receipt under a parent's name.

A. Employment and Public Assistance

Table 3.3 presents information on employment and public assistance for a subset of the early cohort of the Jobs First group: those who had reached the time limit by March 1998 (the *time limit sample*; see Figure 1.4). The table shows outcomes for this sample, measured during the quarter before reaching the time limit, the quarter reaching the time limit, and the three quarters after reaching the time limit.

1. Sample members who received an extension. As the table shows, average income for individuals who received an extension remained relatively stable over the examined quarters. Over time, on average, these sample members received less in TFA benefits (and slightly less in Food Stamps), but replaced the income they lost in cash assistance with increased earnings. For example, sample members who were granted an extension received an average of $1,586 in TFA benefits and $594 in earnings during the quarter before the time limit; by the third quarter following the time limit, they averaged $980 in TFA benefits and $1,117 in earnings.

Average TFA payments for those who initially received an extension declined over time primarily because fewer sample members received benefits: 100 percent of this sample received benefits in the quarter prior to the time limit compared with 69 percent in the third quarter following the time limit.[19] In contrast, average earnings increased both because more people became employed and because those who were employed earned more. Many of these individuals were employed during the quarter they reached the time limit, but because their earnings were below the payment standard at the time of their exit interview, they received an extension.

2. Sample members who had their benefits discontinued. In contrast, as expected, and as illustrated earlier by the hypothetical numbers in Figure 3.3, individuals who did not receive an extension saw their income drop dramatically after their cash benefits were discontinued. As Table 3.3 shows, during the quarter before the time limit, these recipients averaged $4,435 from earnings, TFA, and Food Stamps. This average income declined 33 percent, to $2,988, during the first quarter following grant closure.

The income reduction is explained mostly by the loss of cash assistance at the time limit. Average TFA payments dropped from $1,489 in the quarter prior to grant closure to $47 in the first quarter afterward. Average Food Stamp payments declined over time as well; this resulted from a decrease in both Food Stamp receipt and average Food Stamp payments per person receiving Food Stamps.[20] The large immediate drop in the rate of Food Stamp receipt, from 90 percent in the quarter of termination to 63 percent in the next quarter, is probably explained in large part by people who failed to show up for their exit interview (the analysis described earlier found

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[19] Among sample members who received an extension, the average quarterly TFA payment per person receiving benefits decreased slightly over time: In the quarter prior to the time limit, the average TFA benefit paid was $1,586; in the third quarter following the time limit, the average benefit was $1,416.

The TFA receipt figures presented in Table 3.3 are not directly comparable to the results described earlier, which showed that only one-third of those granted an extension were receiving TFA 15 months after reaching the time limit. First, the follow-up period for this analysis is shorter, only three quarters. Second, this analysis uses quarterly data, while the earlier analysis used monthly data.

[20] Among sample members whose grants were closed at the time limit, average quarterly Food Stamp payments per person receiving Food Stamps were as follows: in the quarter prior to grant closure, $714; in the first quarter following closure, $533.

Table 3.3

Connecticut's Jobs First Program

Employment, Earnings, Welfare Use, and Income for the Time Limit Sample Relative to the Quarter Reaching the Time Limit, by Extension Status

Outcome	Received an Extension	Had Benefits Discontinued	Full Time Limit Sample
Quarter prior to reaching time limit			
Ever employed (%)	47.1	86.4	61.8
Average earnings ($)	594	2,276	1,223
Average earnings per person employed ($)[a]	1,262	2,635	1,980
Ever received any TFA (%)	100.0	98.5	99.4
Average total value of TFA ($)	1,586	1,489	1,550
Ever received any Food Stamp payments (%)	96.8	93.9	95.8
Average total value of Food Stamps ($)	705	670	692
Average total income from earnings, TFA, and Food Stamps ($)	2,884	4,435	3,464
Quarter reaching time limit			
Ever employed (%)	44.3	87.1	60.3
Average earnings ($)	524	2,548	1,281
Average earnings per person employed ($)[a]	1,181	2,925	2,123
Ever received any TFA (%)	100.0	93.2	97.5
Average total value of TFA ($)	1,533	963	1,320
Ever received any Food Stamp payments (%)	97.7	90.2	94.9
Average total value of Food Stamps ($)	716	561	658
Average total income from earnings, TFA, and Food Stamps ($)	2,773	4,073	3,259
First quarter after reaching time limit			
Ever employed (%)	50.7	87.9	64.6
Average earnings ($)	732	2,606	1,433
Average earnings per person employed ($)[a]	1,444	2,966	2,218
Ever received any TFA (%)	97.7	3.0	62.3
Average total value of TFA ($)	1,438	47	918
Ever received any Food Stamp payments (%)	95.9	62.9	83.6
Average total value of Food Stamps ($)	701	335	564
Average total income from earnings, TFA, and Food Stamps ($)	2,871	2,988	2,915
Second quarter after reaching time limit			
Ever employed (%)	57.0	83.3	66.9
Average earnings ($)	1,043	2,539	1,602
Average earnings per person employed ($)[a]	1,830	3,046	2,397
Ever received any TFA (%)	87.3	4.6	56.4
Average total value of TFA ($)	1,256	81	816
Ever received any Food Stamp payments (%)	93.2	50.8	77.3
Average total value of Food Stamps ($)	671	294	530
Average total income from earnings, TFA, and Food Stamps ($)	2,970	2,913	2,949

(continued)

Table 3.3 (continued)

Outcome	Received an Extension	Had Benefits Discontinued	Full Time Limit Sample
Third quarter after reaching time limit			
Ever employed (%)	54.8	76.5	62.9
Average earnings ($)	1,117	2,666	1,696
Average earnings per person employed ($)[a]	2,040	3,485	2,697
Ever received any TFA (%)	69.2	4.6	45.0
Average total value of TFA ($)	980	49	631
Ever received any Food Stamp payments (%)	87.8	47.7	72.8
Average total value of Food Stamps ($)	646	309	520
Average total income from earnings, TFA, and Food Stamps ($)	2,742	3,024	2,848
Sample size	221	132	353

SOURCES: MDRC calculations using Connecticut unemployment insurance (UI) earnings records, AFDC/TFA records, and Food Stamp records.

NOTES: The time limit sample includes Jobs First group members in the early cohort (single parents randomly assigned between January and June 1996) who reached the time limit by March 1998.

Sample members who received TFA benefits during the month after reaching the time limit are considered to have received an extension.

[a]Sample sizes for these outcomes vary because only those who were employed in the quarter are included.

that nearly one-fourth of those who did not receive an extension had failed to attend their exit interview). Employment rates and average earnings increased slightly between the quarter prior to the time limit and the first quarter afterward, but not enough to offset the loss of public assistance dollars. During the third quarter after the time limit, average income for this group increased somewhat.

It is important to point out that even after the time limit, the income (which does not include income from the Earned Income Credit) for sample members whose grants were closed, on average, is higher than a typical nonworking family would receive from TFA and Food Stamps. During the quarters after their grants were closed, about two-thirds had more income than they would have received from TFA and Food Stamps had they not been working. At the same time, it is of some concern that about one-third had income below this level; some of these sample members had *no* income from TFA, Food Stamps, and UI-reported earnings.[21] It is likely that at least some of these individuals had earnings that were not captured by the UI system, lived with other adults who had income, or had moved out of Connecticut; thus, these data probably overestimate the percentage with income below the TFA and Food Stamp threshold.

Interestingly, the employment rate among those whose grants were closed at the time limit dropped substantially from 87 percent in the quarter when benefits were discontinued to 77 percent in the third quarter after benefits were discontinued. Despite this drop, however, only 5 percent received TFA in the latter quarter. Although this could indicate, for example, that some people may have moved out of Connecticut (and thus their earnings would not be captured by the state unemployment insurance records), it suggests that those who lose their job are not necessarily returning to the TFA rolls.

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[21] In the first quarter after the time limit, 24 percent of those with income below the TFA and Food Stamp threshhold had no income from TFA, Food Stamps, and UI-reported earnings; in the second quarter, 31 percent had no income from these sources; and in the third quarter, 38 percent had no such income.

On average, sample members whose benefits were discontinued had substantially higher income during the first two quarters examined than sample members who received an extension. This difference is generated by considerably higher earnings for the former group, as well as by the enhanced earned income disregard, which allows employed recipients to keep their entire TFA grant as long as they earn below the poverty level. During the first two quarters following the time limit, the two groups' income was similar, although sample members whose grants were closed received a much higher proportion of their income from earnings. For example, in the second quarter following the time limit, sample members who received an extension at the time limit received 35 percent of their income from earnings compared with 87 percent for sample members whose grants were discontinued. As noted above, in the third quarter after the time limit, average income for those whose grants were closed at the time limit had increased somewhat and was higher than the average income of those who received an extension.

B. Making Ends Meet: Other Sources of Income

Additional data for a subset of Jobs First group members show that Table 3.3 tells only part of the story. Twenty-nine people whose grants were discontinued at the time limit were interviewed about 12 months after that point. The in-depth, in-person interviews found that few of these individuals were supporting their family exclusively with their own earnings, cash assistance, and Food Stamp benefits. In fact, they were making ends meet through many diverse means.

Most of the respondents were working when they were interviewed (most were also working when they reached the time limit and their grants were discontinued).[22] Food Stamps were one of the most common nonwage sources of income, but some women chose not to receive them; they considered completing the required monthly income reports to be more hassle than the benefit was worth.[23] Most of those interviewed were receiving rental assistance in the form of public housing, government rent subsidies (Section 8), or other subsidies. Further, most of the women who were not receiving any formal rental assistance had help covering the rent from family or friends. Overall, few of those interviewed could have afforded market rent with their current income.

The other nonwage sources of income that were most common were unemployment insurance benefits, SSI, child support, WIC (Special Supplemental Nutrition Program for Women, Infants, and Children), child care assistance, heat assistance, and income tax refunds. Some women also reported receiving student grants and loans and church donations. Many of the women received in-kind and financial assistance from family members, friends, and boyfriends.

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[22] The sample for these interviews was selected from among the earliest recipients to reach the time limit and have their benefits discontinued; as discussed earlier, nearly all of these people were denied an extension because they had income above the payment standard.

[23] This is consistent with other research, which has found relatively low rates of Food Stamp receipt among eligible families with earnings. See, for example, Stavrianos, 1997.

Most families had Medicaid health coverage at the time of the interview, but were worried about the time when their two years of transitional Medicaid coverage would end; few could afford to *pay for health insurance through* work.

Overall, most people said that they were financially worse off than before they reached the time limit and were struggling to make ends meet, but that they were happier now that they were not receiving cash assistance. Some women mentioned their pride in relying on their own earned income, despite issues such as poor working conditions and transportation problems, and noted their pleasure in being done with "the state." In fact, when asked what would spur them to reapply for cash benefits, few women entertained the possibility of ever reapplying. While some thought that they were not eligible, others said that only a debilitating injury not covered by workers compensation would propel them to apply for assistance, and in some cases even that would not be a sufficient catalyst.

VII. Services After the Time Limit

Drawing primarily from field research, this section describes the various services that are available for people after they reach the time limit. The type of service depends on the situation: People who are in an extension receive employment services; those whose grants have been discontinued and who have income equal to or greater than the payment standard may be eligible for transitional rental assistance; and those whose grants have been discontinued and who have income below the payment standard are eligible for Safety Net services.

A. Employment Services for People Who Received an Extension

As of August 1999, a substantial proportion — 40 percent — of the recipients subject to the time limit statewide were in an extension. When recipients receive an extension of TFA benefits — whether at the time limit or at a later point — DSS requires them to participate in employment services that are intended to help them find a job or increase their earnings to equal or exceed the payment standard. As noted earlier, for those who do not comply with any part of their employment program during an extension period, TFA benefits can be discontinued, and they are generally not eligible for any further extensions. Of the 55 sample members examined earlier who initially received an extension, six had their grant subsequently closed for lack of a good-faith effort.

From November 1997 to September 1998, the Connecticut Council of Family Service Agencies (CCFSA) had a statewide contract to provide employment services to people in an extension through the Employment Success Program (the program that currently provides IPC and Safety Net services).[24] Because the contract was not large enough to cover all extension participants, both research sites supplemented the contract: The Manchester and New Haven DSS offices provided some services, and the New Haven DSS office established a second contract with a local employment services provider. In Manchester, people in an extension who had fewer barriers to employment remained with DSS, where they typically were required to do independent job search and sometimes volunteer work. People with more barriers were referred to CCFSA for more intensive case management, help in finding a job or increasing their hours, or referrals to employment activities. In New Haven, people in an extension who did not have a job were referred to DSS employment services workers, who could then refer them to short-term training or other activities. Individuals who had a job were referred to either CCFSA or the other local contractor. These agencies worked with people to help them increase their hours on the job or find a full-time position.

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[24] The original contract with DSS covered the period from November 1997 to June 1998; the contract was extended until September 1998 to allow CCFSA to serve all of the people referred to it.

Since July 1998, employment services for people in an extension have been provided by the Department of Labor (DOL) and the Regional Workforce Development Boards (RWDB). Interviews with staff at DSS, DOL, and RWDB indicate that recipients who are in an extension receive the same basic employment services that recipients in the pre-time limit period receive, including job search assistance and short-term training, and that, as during the pre-time limit period, recipients' participation in activities is not closely monitored. Some staff may communicate to those in an extension a heightened urgency for achieving self-sufficiency, and they may be less likely to place them in longer-term activities. Those in an extension who are having difficulty complying with their employment plan may be referred to Project SOAR. As discussed in Chapter 2, the goal of Project SOAR is to help people successfully engage in program activities.

B. The Transitionary Rental Assistance Program

As noted earlier, most of those whose benefits were discontinued at the time limit had income equal to or higher than the payment standard. In addition, many of those who initially received an extension later left the welfare rolls because their income rose above the payment standard. Individuals whose TFA grants are closed and who are over income may be eligible for the Transitionary Rental Assistance Program (T-RAP).[25] This program is intended to soften the blow from the loss of assistance, which for some families may be significant, especially if their Food Stamps also decrease. T-RAP provides up to one year of monthly rental assistance, paid directly to the landlord. To be eligible, individuals cannot be living in public or subsidized (Section 8) housing and must be living in privately owned rental housing.

T-RAP is administered by Community Action Agencies under contract to DSS. DSS is responsible for informing clients about the rental assistance program, but individuals must contact the T-RAP agency themselves. Funding for the program is limited, so rental assistance is not available to all eligible families.

C. Safety Net Services

When someone's family income is below the payment standard and her welfare grant is discontinued (because she was deemed not to have made a good-faith effort to find employment), she is eligible for Safety Net services. The primary purpose of the Safety Net is to prevent harm to the children of families whose cash benefits are "permanently" closed because of the time limit. (People in the Safety Net can return to welfare only if they qualify for an exemption, if their case was erroneously closed, or if they have circumstances beyond their control, as discussed earlier.) Its secondary purpose is to foster the economic self-sufficiency of these families. The Safety Net links families with existing community services to ensure that their basic needs are met. If appropriate community resources are not available, the Safety Net agency may provide vouchers and services. Safety Net services are not time-limited; families can receive services indefinitely, and if they leave the Safety Net, they may return at any time, as long as their income remains below the welfare payment standard. Drawing on interviews with staff and a mini case file review,[26] this section describes the implementation of the Safety Net program in Manchester and New Haven.

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[25] This program was previously called the Time-Limited Rental Assistance Program.

1. The referral process and initial contact. As noted earlier, most of the individuals whose grants were discontinued were over income; thus, relatively few individuals have been referred to Safety Net services. For example, of the 100 Jobs First group members who reached the time limit discussed in Section IV, only eight would have been referred: one who was discontinued at the time limit for lack of good-faith effort, six who were discontinued for noncompliance during an extension, and one who was denied an extension for lack of good-faith effort when reapplying for benefits. Because only about two-fifths of the Jobs First group members reached the time limit within the report's follow-up period, this suggests that less than 5 percent of the entire group was referred to Safety Net services.

At the same time, it is important to note that statewide data collected by CCFSA show that referrals have generally been increasing over time.[27] This is not surprising, given that 40 percent of those subject to the time limit statewide are now in an extension, and thus subject to the one-strike noncompliance policy.

Safety Net services are provided through WorkSteps, the partnership between the United Way-Infoline and the CCFSA Employment Success Program that provides IPC services. The referral process is similar to that for IPC services: DSS sends the names of those whose family income is below the payment standard and whose cash assistance has been discontinued — either at the time limit or at any point thereafter — to Infoline.[28] Infoline verifies the accuracy of the referrals, attempts to contact the individuals and collect some basic information, and then faxes the referrals to the CCFSA central office and the appropriate regional office. (Infoline also refers people to other social services, as necessary.)

If individuals are in crisis (for example, homeless or about to be evicted), CCFSA will attempt to contact them immediately. CCFSA case managers must make phone calls, write one certified letter and one regular letter, and make three to six home visits to try to contact people. Staff reported that many individuals are difficult to reach, because their telephone has been shut off or they have moved. For cases in the mini case file review, it took an average of five attempts to open a case. Although people can refuse Safety Net services, staff said that most people whom they contact accept them. Statewide, between November 1997 and December 1998, 17 percent of those who were referred to the Safety Net either could not be located or refused services.

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[26] MDRC reviewed the Safety Net case files of 20 people who were referred to Safety Net services from the Manchester and New Haven DSS offices.

[27] For example, statewide, 30 people were referred to Safety Net services in January 1998, 63 in July 1998, 93 in December 1998, and 120 in June 1999 (from Connecticut Council of Family Service Agencies and United Way of Connecticut-Infoline, 1999 and unpublished CCFSA data).

[28] People may also be referred to Safety Net services if they are initially denied an extension for being over income, subsequently reapply for benefits after their income drops below the payment standard, and are denied based on a lack of good-faith effort. People who do not show up for their exit interview may have income below the payment standard, but generally are not referred to Safety Net services. Safety Net staff reported that sometimes an individual in the community will hear about Safety Net services and will call to inquire whether she is eligible. Staff confer with DSS and if the individual has exhausted her TFA benefits and has income below the threshold, she can receive services.

During the first home visit, case managers conduct an assessment, covering issues such as participants' employment and education history, children's school and health status, and financial issues (for example, whether the rent and utilities are paid up to date). During a later visit they conduct an in-depth barrier assessment, covering issues such as domestic violence, substance abuse, and mental health. According to staff, many Safety Net participants have multiple barriers to steady employment.

2. Available services. Safety Net services encompass three main areas: basic needs assistance; case management; and referrals to employment services, counseling, and other services. To help families meet their basic needs, the Safety Net provides rental assistance, utility payment assistance, food vouchers, clothing, and bus passes or tokens to help people get to employment activities. There are no monetary limits on any of this assistance, but rental assistance is limited to six months of payments.

Intensive case management is a key component of the Safety Net. CCFSA case managers visit families at home, and they are available during nontraditional hours, including evenings and weekends. These staff members work with about 20 cases on average (including some Safety Net cases and some IPC cases), which allows them to work closely with people. Staff who were interviewed said that typically they meet with Safety Net participants once every week or two, but meet several times a week with participants who are experiencing a crisis.

CCFSA also employs Child and Family Consultants (CFCs) who are available to consult on various clinical issues. There are five CFCs in Connecticut; one CFC serves Safety Net participants in Manchester and another serves participants in New Haven. All CFCs have a master's degree, typically in social work (most are licensed social workers). They are available to discuss cases with case managers and advise appropriate actions or to visit participants at home. When CFCs visit people at home, their primary purpose is to evaluate their problems and refer them to the appropriate clinical services. They are called in on all cases that scored above a certain level on the in-depth barrier assessment and at any time that an issue such as domestic violence, child neglect, or substance abuse becomes apparent. CCFSA staff estimated that CFCs were consulted for about one-quarter of Safety Net cases.

Case managers develop a service plan with each participant. Generally, unless someone has severe barriers, employment is the ultimate goal. Case managers often give participants one-on-one job search assistance, such as help with résumés, how to look for a job, and what to say and do at a job interview. Case managers help those who are employed to develop specific, concrete strategies to increase their earnings. For those who have a job and earn above the payment standard, CCFSA sometimes provides transitional case management services — but no financial assistance — for three to six months to help them retain the job.

Case managers also refer Safety Net participants to various services, such as to community agencies for counseling, job search assistance, basic education, or job skills training. Case managers refer people to services at CCFSA agencies — for example, Catholic Family Services in Meriden, outside New Haven, has a licensed mental health clinic and operates a weekly job club — as well as to services offered at other agencies in the community.

3. Participants' economic status. CCFSA staff said that if they think someone qualifies for public assistance, they try to help her get benefits. For example, if they believe that an individual is incapacitated and should have received an exemption from the Jobs First program or that the reason she quit a job should have been considered good cause by DSS at the exit interview, they contact DSS and advocate for her. If they succeed, the Safety Net case is closed (as noted below, this has occurred many times). Sometimes case managers help Safety Net participants get Food Stamps, Medicaid, or SSI.

When asked how they thought that people in the Safety Net make ends meet without the help of cash assistance, staff noted various means, including part-time work; help from family members, friends, and boyfriends; food pantries, shelters, and other agencies; SSI and child support; and perhaps selling drugs or prostitution. (MDRC has no way to determine the prevalence of any of these means.) Staff in one office have observed that the people who have family support tend to fare the best.

4. Length of time in the Safety Net. Staff said that the length of time that people receive services varies widely, with some staying in the Safety Net for a week and others staying for well over a year. Of the 13 cases that were reviewed as part of the mini case file review for which service start and end dates were available, case duration ranged from about one month to one year and averaged five and a half months. This range partly reflects the diversity of people who are served by the Safety Net: Many have multiple barriers to steady employment and receive extended services, while a minority quickly find a job or increase their hours and become ineligible because their income rises above the payment standard.

According to CCFSA data, 869 individuals across Connecticut were referred to the Safety Net between November 1997 and December 1998. Of these, 719 received services (150 individuals could not be located or refused services). Of the 719 cases that were opened, 160, or 22 percent, had been closed by the end of December 1998. The most common reason for case closure was the reinstatement of TFA benefits (64 cases, or 40 percent of closures). Twenty-eight percent of those whose cases were closed took the preferred path through the program: working and raising their income above the payment standard. Other reasons for closure included moving out of Connecticut (14 percent of closures), noncooperation with a Safety Net service plan (9 percent), and beginning to receive SSI benefits (3 percent).[29]

As mentioned, the primary purpose of the Safety Net is to ensure the safety of the children in families. CCFSA case managers who think that a child is in danger of neglect or abuse will try to work with the family to remedy the situation. If the situation does not improve, they will contact the Connecticut Department of Children and Families (DCF). If at any point DCF removes the child(ren) from the home, the Safety Net case is closed. (Statewide between November 1997 and December 1998, this occurred in eight cases.)

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[29] Connecticut Council of Family Service Agencies and United Way of Connecticut-Infoline, 1999.

Chapter 4

Early Impacts of Jobs First

An important test of a new program is whether it affects the lives of people subject to its policies. This chapter presents an early assessment of Jobs First by exploring the effects of the program on sample members' earnings and employment, use of public assistance, and income. Most of the results in this chapter reflect the period that ended two and a half years after families entered the program. By the end of this period, some families had reached the program's time limit, but many had not or had received an extension to the time limit. The results presented in this chapter therefore do not represent the full story of Jobs First, a story that will continue to unfold.

I. A Summary of Findings

The ultimate goal of Jobs First is to reduce welfare use and increase self-sufficiency through work. As discussed in previous chapters, Jobs First introduced a number of policies to try to attain these goals. Moving people off welfare occurs most directly through the program's time limit. Families are entitled to cash assistance for only 21 months, after which time their benefits are discontinued unless they have received an exemption or an extension. Although the time limit should encourage people to work, encouragement also comes through a number of other policies. To provide a financial incentive to work, the program has an earned income disregard that allows recipients to keep essentially all of their earnings while receiving cash assistance. To enhance their ability to find work, the program requires them to participate in employment services. To allow them a means of finding and keeping a job, under Jobs First welfare recipients can own a more valuable car than under AFDC. To ease the transition to work, Jobs First extends Medicaid benefits and child care subsidies for individuals who leave welfare for work.

Results so far indicate that Jobs First did increase employment and earnings in the period before recipients could have reached the time limit. During this period, Jobs First also increased use of cash assistance. This is a natural consequence of the program's enhanced earnings disregard: Jobs First allows most welfare recipients who work to remain on public assistance until the 21-month time limit. Because it increased both earnings and public assistance payments, Jobs First also resulted in much higher income from earnings and public assistance during this period.

In the period immediately after recipients began reaching the time limit, however, the program's impacts changed. Consistent with a time limit, use of public assistance and public assistance payments were now lower under Jobs First than under AFDC. However, the program maintained its effects on employment in the early part of this post-time limit period. As a result, total income from earnings, cash assistance, and Food Stamps continued to be higher on average under Jobs First than under AFDC.

Although the initial impacts of Jobs First were favorable, a full understanding of the effects of the program will be possible only after more time has elapsed. With time, more families will reach the time limit and information will be available for a longer period for families who have reached it. At this early stage, the latest results come from three calendar quarters into the post-time limit period. In the third quarter after the time limit, use of cash assistance continued to be reduced by the program, and that effect appeared to have grown somewhat stronger over time. Employment and earnings also continued to be increased by the program, although there was no clear trend in the impacts. The growing reductions in public assistance largely offset the increased earnings, so that combined income from earnings, welfare, and Food Stamps was about the same under Jobs First as under AFDC several quarters into the post-time limit period.

The overall impacts of a program like Jobs First sometimes mask important differences across groups of sample members. Individuals who have recently applied for assistance might be affected less if they are likely to leave welfare for work on their own. In contrast, individuals already receiving welfare when they enter the program are more likely to continue receiving welfare, and a program like Jobs First may encourage many to begin working.[1] Results for Jobs First confirm this. The program did not increase employment among welfare applicants in the period before any families reached the time limit, and it increased employment only slightly after the time limit. At the same time, applicants received more public assistance under Jobs First than under AFDC. In contrast, Jobs First substantially increased employment, earnings, and income for recipients in the period before families began reaching the time limit. After families began reaching the time limit, the program began to decrease use of public assistance, and consequently no longer produced higher income under Jobs First than under AFDC.

Despite the favorable results for recipients overall, there may be a group of particularly disadvantaged recipients whose income was lower under Jobs First than under AFDC. To investigate this possibility, the impacts of Jobs First were examined for long-term welfare recipients who had not graduated from high school and who had not worked in the year prior to random assignment. Even for this very disadvantaged group, Jobs First had positive effects in the first two years after random assignment. In the period before any families had reached the time limit, the program caused very large increases in employment and earnings and had some of the largest effects on income of any welfare reform program studied experimentally. After families began reaching the time limit, the program continued to increase earnings while it began to reduce cash assistance, so that income under Jobs First was about the same as under AFDC.

Another means of asking whether Jobs First is decreasing the income for some sample members is to look at the effects of the program on the distribution of income. In the pre-time limit period, when the program substantially increased average income, its effects on the distribution of income were also quite positive. The program produced large increases in the number of families with income exceeding $3,000 in a quarter. The results at the end of the follow-up period, when income was about the same for the Jobs First group as for the AFDC group, show diverging impacts for different families. While the program continued to increase the number of families with income above $3,000 in a quarter, it also significantly increased the number with income below $1,500 in a quarter.

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[1] In fact, the Minnesota Family Investment Program (MFIP) and the Canadian Self-Sufficiency Project (SSP) generated large employment gains through financial incentives for long-term recipients. In comparison, MFIP's financial incentives did not affect employment among welfare applicants, while applicants were not directly offered SSP's financial incentives.

All results related to the post-time limit period, both positive and negative, should be interpreted with caution. Results are currently available for less than a year after families began reaching the time limit. Even in the short period that is discussed in this chapter, the impacts of the program have begun to change, with the program's impacts on income changing from positive to negligible and its impacts on public assistance increasing over time. It is possible that these trends will continue and the program's impacts on income will become more negative when more families reach the time limit or have their case closed. It is also possible that the impacts will stabilize and leave the two research groups with about the same level of income in the post-time limit period or that closing cases will provide an incentive that will eventually result in higher income for the Jobs First group even in the post-time limit period. It is not possible to know which of these results will occur. A better answer to that question will have to wait until the final report on Jobs First is completed in 2001.

The bulk of this chapter provides the details of these results. Before turning to the main results in Section V, the chapter provides some technical background. The next section provides a means of interpreting the impacts by discussing the expected effects of the various components of the Jobs First program. Section III introduces the data used to calculate average outcomes and discusses some of their limitations. Section IV describes how impacts are calculated, including some technical information on the meaning of statistical significance. Finally, Section VI examines results for some key subgroups.

II. Expected Effects of the Jobs First Program

As described briefly above, Jobs First differs from AFDC in several ways. Although only the cumulative effect of these differences can be observed, anticipating the effects of individual components might help in interpreting the results presented in this chapter. Table 4.1 shows some of these expected effects. While all of the components are intended to increase self-sufficiency in some respect, they do so in different ways.

- Because it eliminates TFA for some recipients, the *time limit* should reduce use of cash assistance. This effect should be particularly strong after 21 months, when families begin reaching the time limit.[2] Other effects of the time limit might also be most evident only after 21 months. By reducing use of public assistance, the time limit might increase employment, the route most commonly taken by individuals who leave welfare. The time limit might also reduce income and increase poverty for the Jobs First group compared with the AFDC group, however, if individuals are not able to fully replace their welfare grants with other income. This effect should initially be small in Jobs First. As indicated in Chapter 3, most individuals whose cash assistance cases were closed by the time limit were earning above a certain level and therefore did have other sources of income when they reached it. Any negative effects on income may increase over time, however, as more families lose their eligibility for TFA.

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[2] Even before that time, however, some sample members might choose to leave welfare to preserve their eligibility for benefits for future use. Grogger and Michalopoulos, 1999, find indirect evidence that this occurred in response to the time limit of Florida's Family Transition Program.

Table 4.1

Connecticut's Jobs First Program

Expected Impacts of the Jobs First Components

	Employment	Earnings	Receipt of Cash Assistance	Cash Assistance Amounts	Other
Time limit					
Before end of time limit	May increase	May increase	May decrease	May decrease	
After end of time limit	Increase	Increase	Decrease	Decrease	
Earned income disregard	Increase	May increase or decrease	Increase	Increase	Increase in combining work and welfare
Employment services	Increase	Increase	Decrease	Decrease	Increase in working without welfare
Asset rules	May increase or decrease	May increase or decrease	Increase	Increase	Impact primarily among applicants

- The Jobs First *earnings disregard* allows individuals to keep all their public assistance when they work and earn less than the federal poverty threshold. In comparison, for members of the AFDC group assistance amounts vary with earnings if earnings are above a certain level. The enhanced disregard should therefore lead to higher employment and greater use of public assistance, but could either increase or decrease earnings.[3] These effects stem from two distinct changes. First, some recipients of cash assistance who would not work under AFDC might be encouraged to work by the enhanced disregard. When this occurs, employment and earnings increase, but use of cash assistance typically remains the same.[4] Other individuals who would earn too much to receive cash assistance under AFDC might qualify for benefits under the enhanced disregard. When this happens, use of cash assistance increases and employment stays the same.[5] In addition, earnings will decrease if some people take advantage of increased public assistance by working less than they would have otherwise.[6]

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[3] Prior research indicates that such financial incentives do encourage work. In the evaluation of MFIP, incentives by themselves caused a modest increase in employment among long-term recipients. The generous earnings supplement of Canada's SSP increased employment of both long-term recipients and welfare applicants by more than 10 percentage points.

[4] Under most earnings disregards, welfare benefits are reduced by some amount with each additional dollar of earnings when earnings exceed a certain level, so that payment amounts would fall for many individuals in this group. In comparison, the Jobs First disregard does not reduce welfare benefits at all until earnings exceed the poverty threshold, so that public assistance payments are not expected to decrease for this group.

[5] Theory and time-series evidence predict that enhanced disregards will increase the number of welfare recipients (see Moffitt, 1992, and Hoynes, 1997). Random assignment evaluations in Minnesota (Miller et al., 1997) and (continued)

- By helping individuals find work, the mandatory *employment services* of Jobs First should increase employment and earnings. In the many welfare-to-work programs that have been evaluated using random assignment, increased earnings are typically offset by reductions in welfare benefit amounts, leaving total income little changed.[7] Because the Jobs First earnings disregard is so generous, this should not happen in the first 21 months of the program, but it might occur to individuals after they reach the program's time limit.

In addition to the three major components of Jobs First, two other policy changes may affect employment, cash assistance, and income. First, families can have more assets and a more valuable car under Jobs First than under AFDC. By making more welfare applicants eligible for TFA, this change might increase the use of cash assistance in the short term. By allowing families to own a reliable car, the eligibility rules might also increase employment by making it easier for them to find and keep a job. A second change extended the period during which families could receive Medicaid benefits and child care subsidies when they leave welfare for work. This change might encourage more parents to go to work and might encourage them to work longer.

Although the effects of the different components of the policy are sometimes contradictory, in most cases the expected effects are clear. Most of the changes point to increased employment and increased earnings. In the part of the follow-up period before anyone reached the time limit, the program should also increase the use of cash assistance and Food Stamps. After some families reach the time limit, however, the new policies should reduce use of both forms of public assistance. By increasing earnings and public assistance amounts prior to the time limit, Jobs First should markedly increase income. In the post-time limit period, however, higher average earnings and smaller average public assistance amounts will offset each other to some extent, and income for the Jobs First group could be higher or lower on average than income under AFDC.

III. Data and Sample

As discussed in Chapter 1, impacts of Jobs First were measured using a sample of parents who were randomly assigned between January 1996 and February 1997. This *full sample* contains 4,803 parents who entered the evaluation in the two research districts: 3,628 in New Haven

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Canada (Lin et al., 1998) also have found that financial incentives to work increase the number of cases receiving public assistance.

[6] For example, the New Hope program in Milwaukee resulted in lower earnings for individuals who were already working full time at random assignment. Likewise, MFIP resulted in lower earnings among applicants.

[7] See, for example, Riccio, Friedlander, and Freedman, 1994, on results of California's Greater Avenues for Independence (GAIN) program; Hamilton and Friedlander, 1989, on San Diego's Saturation Work Initiative Model (SWIM); Gueron and Pauly, 1991, on earlier welfare-to-work programs; Hamilton et al., 1997, and Scrivener et al., 1998, on the National Evaluation of Welfare-to-Work Strategies (NEWWS) programs.

and 1,175 in Manchester.[8] About half of the full sample was randomly assigned to the *Jobs First group* that received the Jobs First package (2,396 cases), and the other half was randomly assigned to the *AFDC group* that was subject to the rules and benefits of AFDC (2,407 cases). To investigate the impacts of Jobs First over a longer period, most results in this chapter are presented for an *early cohort* that consists of all individuals who were randomly assigned in the first half of 1996. This early cohort contains 2,140 parents, including 1,059 in the Jobs First group and 1,081 in the AFDC group.

Most statements about the effects of Jobs First on earnings and employment are based on information that employers submitted each calendar quarter[9] to the unemployment insurance (UI) system in Connecticut. Because employers are given six months to report earnings to the UI office, most impacts on employment and earnings presented in this chapter use earnings information only through December 1998, or eight quarters after random assignment for the full sample and ten quarters after random assignment for the early cohort.[10]

Most statements about welfare benefits are based on information from the Eligibility Management System (EMS), Connecticut's computerized public benefits system. For each case and for each month through December 1998, the system provided information on AFDC, TFA, and Food Stamp amounts. Although information was available for each month, outcomes related to public assistance are presented by quarter to make them comparable in presentation to information from the UI system.

Although administrative data contain accurate information, they have several important limitations. First, they are limited to activity in the State of Connecticut. If parents move away from Connecticut but continue to receive public assistance, they will be counted as if they are not receiving assistance. If they work outside Connecticut, they will be counted as if they are not working. Second, the UI system undercounts employment and earnings because some types of jobs are not included in the UI system. Third, administrative records provide information on public assistance, employment, and earnings, but not on other important outcomes that might be affected by the program. Fourth, administrative records do not provide information on the activity or income of other household members.

The missing sources of information cause some concern. Conclusions about the economic well-being of sample members may be mistaken because some earnings and public assistance will not be measured by the administrative records. As a result, the number of families with low income may be overstated and the number with high income may be understated. Because the Jobs First group is expected to have higher employment and earnings than the AFDC group, estimated impacts of the program on employment and earnings may also be slightly lower than they should be. The impacts of the program on employment and earnings will also be understated if parents respond to Jobs First by moving to another state.

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[8] As noted in Chapter 1, the sample of 4,803 does not include child-only cases, two-parent cases, or cases that had been randomly assigned as part of A Fair Chance, Connecticut's earlier attempted AFDC waiver evaluation.

[9] January through March form the first calendar quarter; April through June form the second; July through September the third; and October through December the fourth.

[10] In January and February 1997, 30 sample members were randomly assigned. For these individuals, only seven quarters of follow-up information is available.

Because of these shortcomings, information is also taken from a survey (the Interim Client Survey) completed by 772 sample members about 18 months after they were randomly assigned. In addition to information on employment, earnings, and public assistance, the survey provides information on the type and quality of jobs taken by sample members, including hourly wage rates and fringe benefits. To provide a fuller picture of each household's income, the survey obtains more detailed information about other sources of income for both the sample member and other household members, including information on child support, unemployment insurance benefits, Supplemental Security Income (SSI), and earnings of other household members.

Although the survey is a richer source of information, it also has drawbacks. First, individuals may misremember or misreport some of their outcomes. It might be difficult to remember when a job started or what the starting wage was, for example, or individuals may intentionally mislead the interviewer in answering questions about sensitive matters. Second, about 80 percent of individuals who were targeted to complete the survey did so; 20 percent did not complete the survey because they could not be located or refused to answer the questions. Although an 80 percent response rate is quite good, it is possible that individuals who responded to the survey are much different from those who did not. As a result, conclusions drawn from the survey might not always represent an accurate picture of the effects of Jobs First on the full sample. See Appendix B for a comparison of those who responded to the survey and those who did not. Finally, because a survey is expensive to administer, survey responses are available for a relatively small portion of the full sample — 772 sample members compared with the 4,803 in the full sample. As a consequence, it is much harder to be confident that differences that emerge between survey respondents in the Jobs First group and the AFDC group are really due to the program.

IV. Outcomes Versus Impacts

In evaluating programs, it is important to distinguish between measures of program outcomes and measures of program impacts. An *outcome* is a measure of the status of sample members at some point after random assignment. An *impact* is a measure of how much the program changes outcomes for sample members subject to its rules. For example, because the AFDC group represents what would have happened to the Jobs First group without the new policy, impacts are estimated as the difference between two quantities: average outcomes for the Jobs First group and average outcomes for the AFDC group.

The upper part of Figure 4.1 provides an example of the distinction between outcomes and impacts and shows how impacts are calculated. The horizontal axis of the figure shows the amount of time that has elapsed since random assignment, from quarter 0 (the quarter of random assignment) to quarter 10 (or 10 quarters after the quarter of random assignment).

In Figure 4.1, the solid line shows the outcome for the AFDC group; in this case it shows the proportion of the AFDC group employed in the quarter of random assignment and the 10 quarters that followed.[11] Perhaps because of the strong economy, employment is fairly high for the AFDC group at just under 40 percent in the quarter of random assignment, especially since most individuals who eventually received exemptions from the program's time limit are included in the sample.[12] Employment increased for the AFDC group over time even though the group did not have the incentives, requirements, and supports of Jobs First and even though it never faced or encountered a time limit.[13] Employment for the Jobs First group (indicated by the dashed line) also increased over time. However, the impact of Jobs First cannot be determined by measuring the change over time in employment in the Jobs First group alone. Some of that change might be due to the program, but some of the change was caused by the same forces that increased employment for the AFDC group.

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[11] Because it provides a longer follow-up period, the early cohort was used to estimate the main effects of Jobs First. The full sample was used to estimate results for subgroups presented later in the chapter. As shown in Appen-
(continued)

To estimate the impact of the program, outcomes for the Jobs First group are compared with outcomes for the AFDC group. As expected, in the quarter of random assignment, members of the Jobs First group were about as likely to work as members of the AFDC group. Thus, the program had no impact on employment in this quarter. In the first few quarters after random assignment, a gap opened up between the two groups as employment for the Jobs First group increased faster than employment for the AFDC group. This gap indicates that the program began to have an impact on employment, resulting in greater employment under Jobs First than under AFDC. From quarter 3 through quarter 8, the two lines approximately parallel each other. During this part of the follow-up period, the impact of Jobs First on employment remained positive, but neither increased nor decreased.

No families reached the Jobs First time limit until month 21, which occurs in quarter 7.[14] Therefore, an important period in this figure is the period from quarter 6 — before any families had reached the time limit — to quarter 8 — the first quarter after some families had reached the time limit. Comparing the program impact during these two periods provides the first glimpse of the effect of the time limit. In this case, the impact in quarter 6 looks quite similar to the impact in quarter 8. Employment increased slightly for both groups between the two periods, but the gap between the two did not grow. Thus it appears that the time limit initially had no additional impact on employment. Because the end of the follow-up period shown in the figure is very early in the post-time limit period, this comparison provides a sense only of the initial effects of the time

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dix C, results for the early cohort are similar to results for the full sample during the first eight quarters of the follow-up period.

[12] In comparison, in recent evaluations of the Florida Family Transition Program (FTP) and Vermont Welfare Restructuring Program (WRP), both of which also operated in strong economies, employment in the quarter of random assignment was about 35 percent. In FTP, moreover, individuals who were exempted from the program's time limit were not randomly assigned, so that the average sample member was probably more disadvantaged in Connecticut than in Florida.

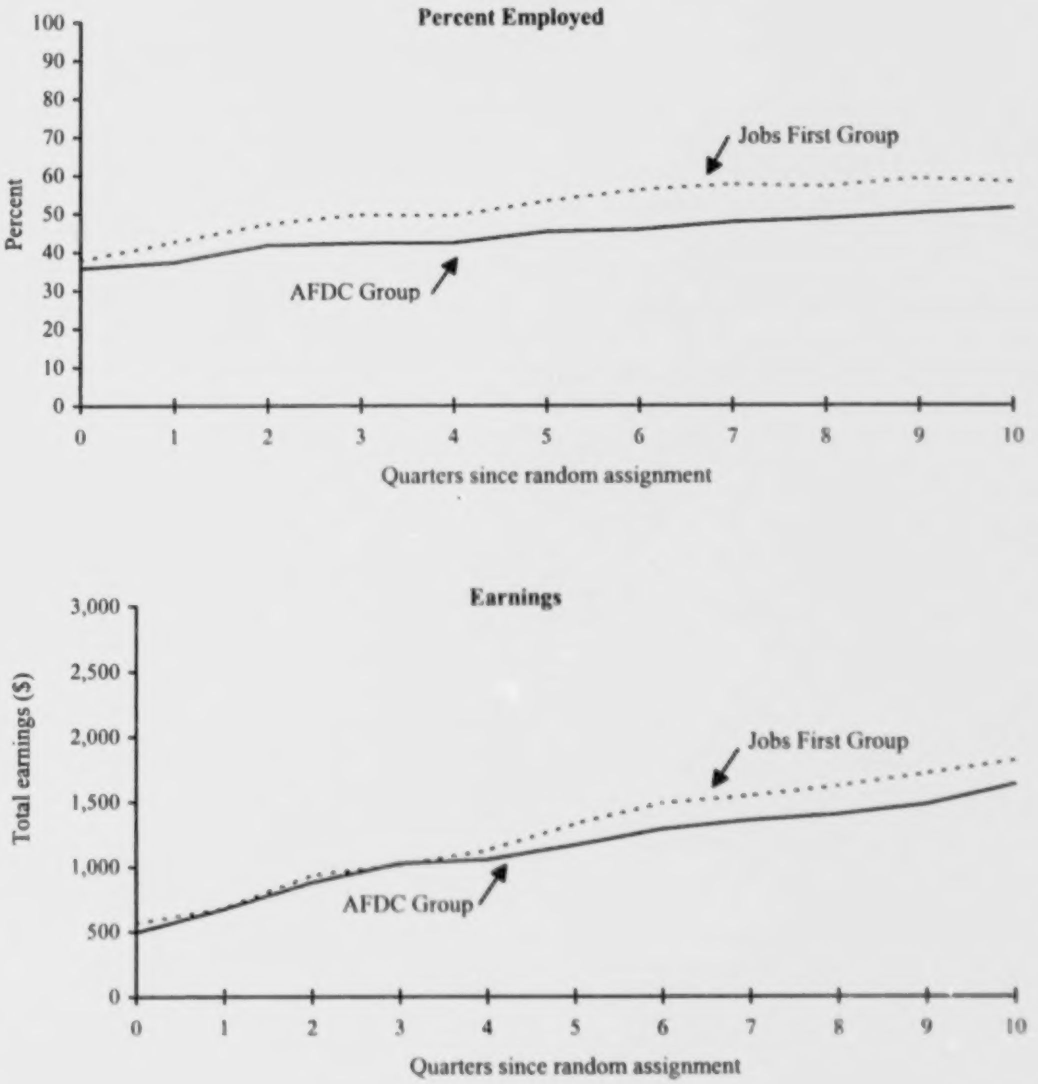
[13] About 4.5 percent of the AFDC group moved to another welfare district in Connecticut, thus becoming subject to the rules of Jobs First. In addition, perhaps because of the national debate about welfare reform and because time-limited welfare became the policy in the rest of Connecticut and in most of the nation, a number of individuals in the AFDC group did think they were subject to a time limit. These beliefs might have affected the behavior of the AFDC group and, consequently, the estimates of the impacts of Jobs First.

[14] Quarter 1 of the follow-up period is the quarter after the quarter in which a case was randomly assigned. For example, if a case was randomly assigned in January 1996, the quarter in which the case entered the evaluation includes January through March 1996, so that quarter 1 includes April through June of that year. The seventh quarter of the follow-up period for that case therefore covers the period from October through December 1997. Since this individual could have used up her 21 months of welfare by October 1997, the time limit could have first been imposed in quarter 7.

Figure 4.1

Connecticut's Jobs First Program

Quarterly Employment and Earnings for the Early Cohort



SOURCE: MDRC calculations using Connecticut unemployment insurance (UI) earnings records.

NOTES: The sample includes members randomly assigned between January and June 1996.

Estimates were adjusted using ordinary least squares, controlling for pre-random assignment characteristics of sample members.

limit. As more time passes and more individuals reach the time limit, the effects of the time limit are likely to grow.

At best, the results in this chapter show the beginning of an emerging story. Over time, more families will reach the Jobs First time limit and more will have their cases closed. For families whose cases are closed, employment opportunities might become better or worse over time, and their income might consequently improve or worsen. For both reasons, the ultimate effects of Jobs First cannot yet be determined. Nevertheless, comparing results for quarters 8, 9, and 10 may provide a preview of where those results are heading. Between quarter 8 and quarter 9, the gap in employment rates widened slightly. Between quarter 9 and quarter 10, it narrowed somewhat.

V. Estimated Early Impacts of Jobs First

This section explores the impacts of Jobs First in greater detail. To provide a quick sense of the impacts, several figures compare the earnings, welfare use, welfare benefit levels, and income of the Jobs First and AFDC groups. To explore the impacts in further depth, the results are then presented in several tables. To investigate measures that are not available through administrative records, the section then turns to results from the Interim Client Survey. The chapter ends with an examination of the impacts of the program on a variety of subgroups.

A. Overall Impacts of Jobs First on Earnings, Cash Assistance, and Combined Income

1. **Earnings.** Although the upper part of Figure 4.1 shows that Jobs First quickly produced an impact on employment, the lower part shows that the impact on earnings emerged more slowly. Initially, the program had almost no effect on earnings even though it had noticeably increased employment. When the program's impact on employment stabilized after quarter 3, its impact on earnings continued to increase gradually through quarter 5.

One possible explanation for this finding is that individuals responded to the program's services and enhanced disregard by accepting jobs that paid little or required few hours of work. As time passed, those jobs might have paid more or required more hours of work. This would not be a surprising result. As Figure 4.1 shows, about 40 percent of the AFDC group was already working in the quarter of random assignment. This implies that Jobs First increased employment among a group of individuals who were less job-ready, and it is likely that many could find only low-wage jobs. As these individuals gained skills through work experience, it is possible that employers rewarded them with higher wages or more hours of work. This finding is also consistent with implementation of the Jobs First program. As discussed in Chapter 2, in 1997 staff began referring welfare recipients who worked only a few hours or earned low wages to the Employment Success Program (ESP) for help in increasing their hours or wages.

A second possible explanation for the initially small impact of Jobs First on earnings is that the program's earnings disregard encouraged some individuals to reduce their hours of work or to take lower-paying jobs. Later, these individuals may have been convinced by the impending time limit to increase their work effort. Both possibilities will be explored below when the chapter turns to survey measures of hours worked and hourly wages.

As the end of the follow-up period approached and some individuals reached the time limit in quarter 7, there is no evident increase in the program's impact on earnings. In fact, the impact on earnings in quarter 7 is about the same as in quarter 10. This may reflect the way the Jobs First time limit was initially implemented. As discussed in Chapter 3, most individuals who reached the time limit initially received extensions unless they were earning above the payment standard. As a result, most individuals whose cases were closed were already working full time or close to full time and could not respond to the time limit by increasing their work effort. Likewise, most individuals whose cases were not closed received no immediate reason to begin working or to increase their work effort. This incentive would presumably change later in the follow-up period if Connecticut began imposing life-time prohibitions on receipt of cash assistance or became more restrictive in its granting of extensions and exemptions.

2. Cash assistance. As discussed in the section on expected effects, Jobs First should increase use of cash assistance in the period before any families reach the time limit. Figure 4.2 verifies this prediction and shows that the increase in welfare use was even more immediate than the increase in employment. In quarter 1, for example, a difference between the two groups had already emerged. Since, by definition, all welfare recipients were receiving cash assistance at random assignment, this increase in use of cash assistance most likely reflects an increase among welfare applicants. The increase may have been caused by the more liberal eligibility rules of Jobs First that allowed individuals to have more assets and more valuable cars in determining whether applicants could receive welfare.[15] Some applicants might also have responded almost immediately to the program's financial incentives and employment services. Finally, applicants in the program group might have been less likely to withdraw their applications because of the Jobs First policy.

For both groups, receipt of cash assistance declined gradually between quarter 1 and quarter 7.[16] As a result, the impact of the program stayed about the same through this period. In quarter 8, however, the first full quarter after families began reaching the time limit, there was a dramatic change. While the AFDC group, which was still entitled to cash assistance, continued its gradual decline in use of cash assistance, the Jobs First group showed a sharp decline in its use of cash assistance. As a result, the earlier increase caused by the program turned into a small decline. This decline continued through the end of the follow-up period and was somewhat larger in quarter 10 than in quarter 9. As discussed above, it is not clear whether this increased impact in the final period represents an emerging trend or a one-time blip in the program's impacts.

These patterns are also evident for quarterly cash assistance payments, as shown in the lower part of Figure 4.2. The program had an immediate impact on payment amounts, with the Jobs First group receiving about $1,100 in the quarter of random assignment compared with a bit less for the AFDC group. That impact increased in quarter 1 and remained relatively constant

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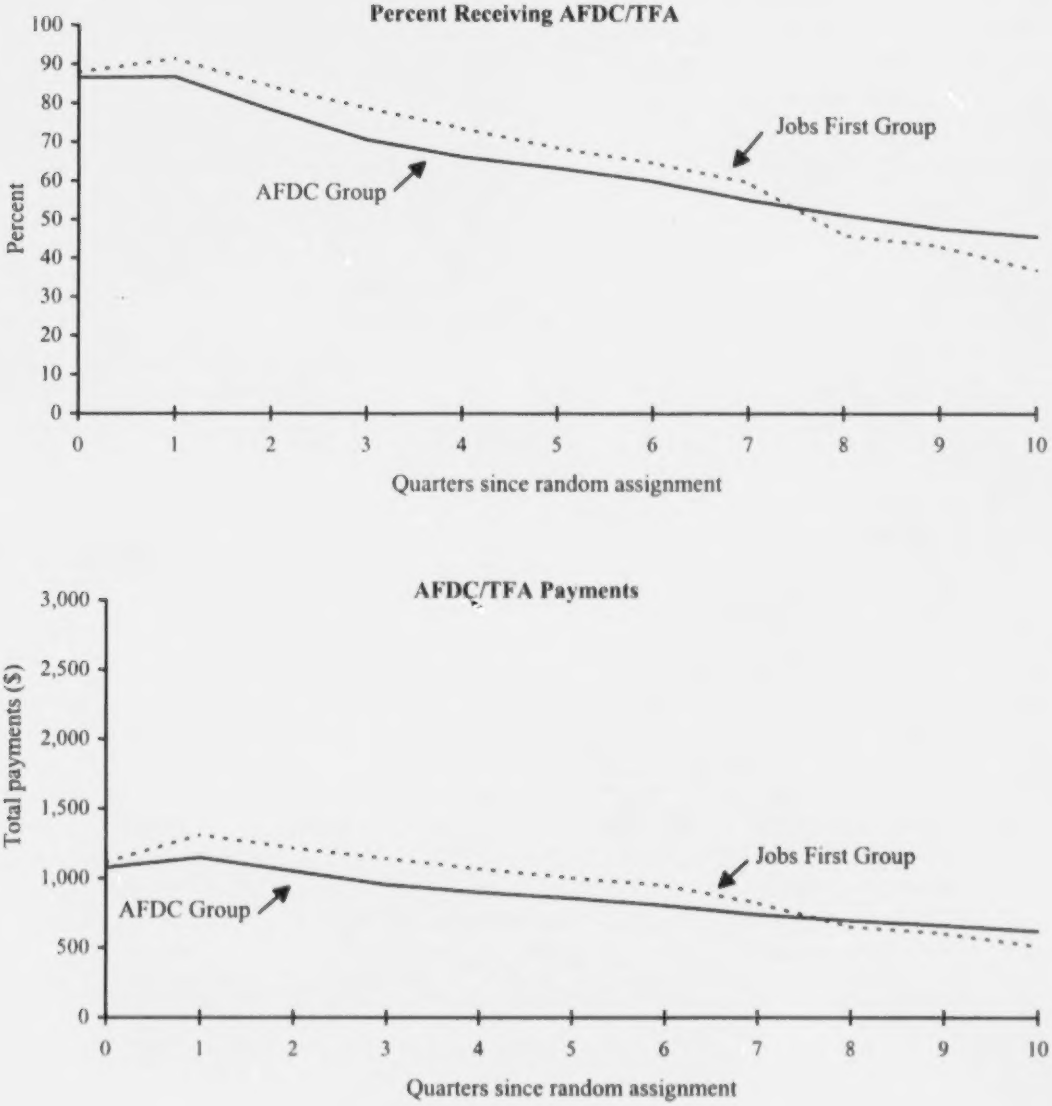
[15] In MDRC's random assignment evaluation of Vermont's WRP, a program that ignored the value of one car in determining applicants' eligibility for cash assistance, there was similar evidence that the more liberal eligibility rules led to an immediate increase in the receipt of cash assistance.

[16] In these discussions, two very different comparisons are being made. To understand the effects of Jobs First, the relevant comparison is between the Jobs First group and the AFDC group. In some cases, however, comparisons are made over time for one group or the other. These comparisons do not directly reveal the impacts of Jobs First but may help understand the program's impacts.

Figure 4.2

Connecticut's Jobs First Program

Quarterly AFDC/TFA Receipt and Benefit Amounts for the Early Cohort



SOURCE: MDRC calculations using Connecticut AFDC/TFA records.

NOTES: The sample includes members randomly assigned between January and June 1996.
Estimates were adjusted using ordinary least squares, controlling for pre-random assignment characteristics of sample members.

through quarter 6. In quarter 7, as some cases were closed, the gap in payment amounts narrowed. In quarter 8, the gap disappeared and was replaced by a very small negative impact on payment amounts. Between quarter 8 and quarter 10, the gap widened somewhat.

3. Combined income. One of the key questions about time-limited welfare is whether individuals will suffer income losses after they reach a program's time limit. Figure 4.3 provides an early answer to this question for Jobs First by showing the impact of the program on combined income from earnings, cash assistance, and Food Stamps. Because this measure includes income only from the three administrative records sources, it does not include many other sources of income, including other transfer programs, the earned income credit (EIC), or private transfers such as child support, alimony, or other support by family or household members. The program's impact on other sources of income will be examined later in this chapter.

Figure 4.3 shows that Jobs First increased income immediately. This makes sense, since the previous figures showed that Jobs First increased cash assistance payments immediately but did not affect earnings. In the next few quarters, the program's impact on income increased somewhat, reflecting the growth in its impact on earnings and cash assistance shown in the previous figures.

Interestingly, Figure 4.3 shows that in quarter 8, after some families had reached the time limit, the program continued to have a positive effect on average income. This does not mean that individuals whose cases were closed had higher income after the time limit than before. Indeed, some sample members did lose income between the two quarters, as indicated by the reduction in average income for the Jobs First group between quarter 6 and quarter 8. The program's impact on income in quarter 8 does mean that Jobs First group members on average had higher income than they would have had under AFDC. It is possible that income for individuals whose cases were closed remained higher than for similar individuals in the AFDC group. Alternatively, it is possible that the time limit produced lower income for these people than for AFDC group members, but continued to produce higher income for individuals who had not yet reached the time limit. To try to understand whether the increase in *average* income is hiding an increase in the number of people with very little income, the distribution of income is examined later in this chapter.

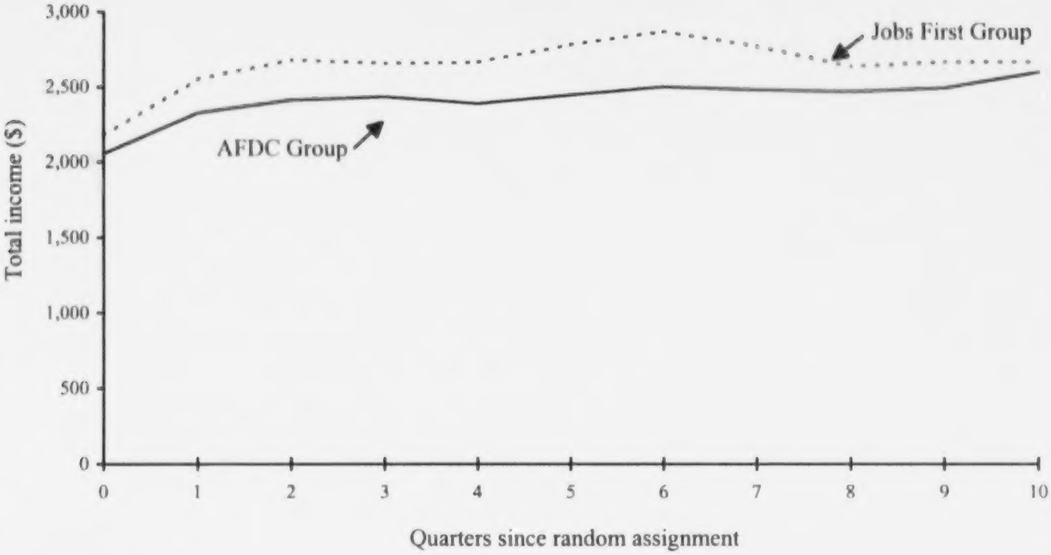
In quarter 9, the program's impact on income was about the same as in quarter 8, as income for both groups stayed at about the same level. In quarter 10, however, there was a striking decrease in the program's impacts on income. While income remained unchanged for the Jobs First group from quarter 9, income continued to increase for the AFDC group, and the impact of the program diminished substantially.

These results make it difficult to predict the future impacts of Jobs First. Over time, more individuals will reach the time limit, and those whose cases are closed because of high earnings may lose their job and decide not to reapply for cash assistance. In the long-term, the program might continue to produce about the same income under Jobs First as under AFDC. Alternatively, the reduction in the impact of the program on income at the end of the follow-up period might represent an emerging trend that results in much lower income for the Jobs First group than for the AFDC group. Finally, the impacts in quarter 10 may be an anomaly, and the more positive impacts in quarters 8 and 9 may show the future of Jobs First. It is too early to know which scenario is the correct one.

Figure 4.3

Connecticut's Jobs First Program

Quarterly Total Income from Earnings, AFDC/TFA, and Food Stamps, for the Early Cohort



SOURCES: MDRC calculations using Connecticut unemployment insurance (UI) earnings records, Connecticut AFDC/TFA records, and Food Stamp records.

NOTES: The sample includes members randomly assigned between January and June 1996.
Estimates were adjusted using ordinary least squares, controlling for pre-random assignment characteristics of sample members.

B. Detailed Impacts on Earnings, Cash Assistance, and Combined Income

Table 4.2 summarizes these impacts for the early cohort. The table is divided into panels, based on period of follow-up. Results for the first six quarters of follow-up indicate the effects of the program before any families reached the time limit. As described earlier, comparisons of quarters 1-6 with later quarters should show the beginning of the effects of the time limit on the program's impacts.[17] The first column shows average outcomes for the Jobs First group, and the second column shows average outcomes for the AFDC group. Impacts are shown in the third

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[17] Appendix C presents impacts of Jobs First on employment, earnings, use of cash assistance, cash assistance payments, and combined income from earnings, cash assistance, and Food Stamps for each quarter of the follow-up period.

Table 4.2

Connecticut's Jobs First Program

Impacts on Employment, Earnings, Welfare Use, and Income, for the Early Cohort

Outcome	Jobs First Group	AFDC Group	Difference		Percentage Change
Quarters 1-6					
Average quarterly employment rate (%)	49.6	42.4	7.2	***	17.0
Average quarterly earnings ($)	1,093	1,014	79		7.8
Average percent receiving AFDC/TFA (%)	76.8	70.9	6.0	***	8.4
Average quarterly AFDC/TFA payments ($)	1,114	952	162	***	17.0
Average percent receiving Food Stamps (%)	77.2	75.9	1.3		1.7
Average quarterly Food Stamp payments ($)	492	452	40	***	8.9
Average quarterly income from earnings, AFDC/TFA, and Food Stamps ($)	2,699	2,419	281	***	11.6
Quarter 7					
Ever employed (%)	57.4	47.6	9.8	***	20.6
Earnings ($)	1,541	1,356	185	**	13.6
Ever received AFDC/TFA (%)	59.6	55.1	4.5	**	8.2
AFDC/TFA benefits ($)	820	736	84	***	11.4
Ever received Food Stamp benefits (%)	63.1	62.9	0.3		0.5
Food Stamp benefits ($)	408	389	19		4.8
Income from earnings, AFDC/TFA, and Food Stamps ($)	2,769	2,481	288	***	11.6
Quarter 8					
Ever employed (%)	56.9	48.5	8.4	***	17.2
Earnings ($)	1,618	1,400	218	**	15.6
Ever received AFDC/TFA (%)	45.9	51.2	-5.3	**	-10.3
AFDC/TFA benefits ($)	648	693	-45		-6.5
Ever received Food Stamp benefits (%)	58.8	60.0	-1.2		-1.9
Food Stamp benefits ($)	370	377	-7		-1.8
Income from earnings, AFDC/TFA, and Food Stamps ($)	2,636	2,470	166	**	6.7
Quarter 9					
Ever employed (%)	59.0	49.9	9.2	***	18.4
Earnings ($)	1,713	1,478	235	***	15.9
Ever received AFDC/TFA (%)	43.1	47.7	-4.6	**	-9.7
AFDC/TFA benefits ($)	599	658	-59	*	-9.0
Ever received Food Stamp benefits (%)	56.6	58.2	-1.6		-2.8
Food Stamp benefits ($)	355	358	-3		-0.8
Income from earnings, AFDC/TFA, and Food Stamps ($)	2,667	2,494	173	**	6.9

(continued)

Table 4.2 (continued)

Outcome	Jobs First Group	AFDC Group	Difference		Percentage Change
Quarter 10					
Ever employed (%)	58.1	51.2	6.9	***	13.5
Earnings ($)	1,815	1,631	183	*	11.2
Ever received AFDC/TFA (%)	36.8	45.6	-8.8	***	-19.3
AFDC/TFA benefits ($)	505	616	-111	***	-18.0
Ever received Food Stamp benefits (%)	53.9	56.1	-2.2		-3.9
Food Stamp benefits ($)	347	352	-5		-1.4
Income from earnings, AFDC/TFA, and Food Stamps ($)	2,667	2,599	68		2.6
Sample size	1,059	1,081			

SOURCES: MDRC calculations using Connecticut unemployment insurance (UI) earnings records, Connecticut AFDC/TFA records, and Food Stamp records.

NOTES: The sample includes members randomly assigned between January and June 1996.

Dollar averages include zero values for sample members who were not employed or were not receiving AFDC/TFA or Food Stamps. Estimates were adjusted using ordinary least squares, controlling for pre-random assignment characteristics of sample members.

Quarter 1 refers to the calendar quarter following the quarter in which the case was randomly assigned. Thus, the period designated as "quarters 1-6" includes the 18-month period starting in quarter 1. The quarter of random assignment was omitted from the summary measures because sample members may have had some earnings, AFDC/TFA payments, or Food Stamp payments in that quarter, prior to their date of random assignment.

A two-tailed t-test was applied to differences between the research groups. Statistical significance levels are indicated as ***=1 percent, **=5 percent, and *=10 percent.

column and are calculated as the difference between the regression-adjusted outcomes of the two groups.[18]

1. Employment, earnings, public assistance, and income prior to the time limit. Figure 4.1 indicates that Jobs First increased employment in the period before any families had reached the time limit. The first row of Table 4.2 verifies this finding.[19] While 42.4 percent of the AFDC group worked on average in the first six quarters after random assignment, 49.6 percent of the Jobs First group did. Thus, the program increased employment by 7.2 percentage points, the difference in outcomes between the Jobs First and AFDC groups. Moreover, this impact is statistically significant at the 1 percent significance level.[20]

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[18] All outcomes and impacts presented in this chapter use ordinary least squares regressions to adjust for differences in demographics and prior behavior between the Jobs First and AFDC groups. Because random assignment ensures there are no systematic differences between the groups prior to random assignment (see Appendix B for tables comparing baseline characteristics of the Jobs First and AFDC groups), regression adjustment should cause only small changes in the estimated impacts. However, regression adjustment may result in more precise estimates that allow differences in outcomes between the two groups to more reliably be attributed to Jobs First rather than chance. Covariates in the regression model include quarterly employment, quarterly earnings, and quarterly AFDC payment amounts, all for the four quarters prior to random assignment and all taken from administrative records.

[19] Table 4.2 shows impacts of Jobs First for the early cohort. Similar results are shown in Appendix C for the full sample, though only eight quarters of follow-up are available at this time for the full sample.

As suggested by the earlier figures, earnings increased somewhat less than employment. While earnings increased by about 8 percent, employment increased by 17 percent.[21] Moreover, the program's impact on earnings in this period was not statistically significant. As shown in the figures, however, the impact of the program on earnings grew over the follow-up period, and results shown in Appendix C indicate that the impact was statistically significant in quarters 5 and 6.

If all of the earnings gains attributable to Jobs First ($79 per quarter) were due to the extra employment caused by the program (7.2 percent), then the average person who went to work because of Jobs First earned about $1,100 per quarter. This appears quite low considering that a parent who earned only $5 per hour and worked only 20 hours per week would have earned $1,300 during a quarter. As discussed above, one possible explanation for such low earnings is that individuals who were encouraged to work by Jobs First earned very little. A second possible explanation is that Jobs First encouraged some individuals to reduce their hours of work or to take lower-paying jobs. In this case, new workers would have earned more than $1,000 on average, but others worked less than they would have under AFDC. These issues will be examined below when the chapter turns to results from the Interim Client Survey.

Other impacts of Jobs First in quarters 1-6 are as predicted. Owing to the enhanced disregard, receipt of cash assistance and average cash assistance payments were higher in the Jobs First group than in the AFDC group. Because earnings below the poverty threshold are also ignored when determining Food Stamp payments under Jobs First, the program also increased use of Food Stamps and Food Stamp benefit amounts.

The program increased earnings, cash assistance payments, and Food Stamp payments during this period and thus increased overall income from the three income sources — $2,699 per quarter compared with $2,419 per quarter for the AFDC group, an impact of $281 per quarter, or nearly $1,700 over the six-quarter period. This income measure includes only information from administrative records and does not include many other sources of income, including other transfer programs, the EIC, or private transfers such as child support, alimony, or other support by family or household members. In particular, income from the EIC is likely to be higher for the

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[20] The concept of statistical significance is used to assess whether a difference can confidently be attributed to the new policy. In results in this report, an impact is said to be statistically significant at the 10 percent level if there is less than a 10 percent chance that the estimated impact could have stemmed from a program with no real effect. Statistical significance is also presented at the 5 percent and 1 percent levels. Statistical significance does not directly indicate the magnitude or importance of an impact estimate, nor does it indicate that the program definitely had an effect; it indicates only whether differences in policies are likely to have caused the differences in outcomes that are seen between the Jobs First and AFDC groups. In an evaluation such as this one, numerically small impact estimates are usually not statistically significant. Some numerically large impact estimates may also not be statistically significant, however, particularly when sample sizes are small or there is great variation across individuals in the outcome being measured.

[21] In looking at outcomes such as average earnings or average cash assistance payments, note that average outcomes are calculated using all sample members in the sample, not just those who were working or those who received cash assistance. As a result, the average quarterly earnings of $1,093 include zero earnings for the 49.6 percent of the sample who did not work in an average quarter. When the $1,093 is spread across the 49.6 percent of the Jobs First group that did work, average earnings per worker are about $2,200 per quarter, or nearly $8,815 per year.

Jobs First group since the program increased employment. If the effects of the program on EIC amounts were also considered, the program's impacts on income would be even greater.[22]

2. Employment, earnings, public assistance, and income in the post-time limit period. According to results shown in Chapter 3, about 25 percent of the early cohort of the Jobs First group reached the time limit in 21 months and about 30 percent reached it in 22 months; 43 percent of families who reached the time limit did not initially receive an extension. This suggests that about 12 or 13 percent of the Jobs First group (or 43 percent of the 25 to 30 percent of families who reached the time limit) had their cash assistance cases closed in quarter 7. In fact, administrative records from Connecticut indicate that 12.8 percent of the early cohort reached the time limit in the first 24 months after random assignment and did not receive cash assistance in the month after reaching the time limit.

The second panel of Table 4.2 shows impacts of the program in quarter 7, at the beginning of the post-time limit period. Because cases were closed in the middle of the quarter, the impact of the program on cash assistance payments declined to $84 for quarter 7, compared with $162 per quarter in the six prior quarters, and the impact of the program on Food Stamp amounts declined from $40 to $19. However, individuals whose cases were closed were counted as having received TFA. As a result, the impact on receipt of cash assistance was about the same as in the earlier period. Other impacts were also about the same in quarter 7 as in the earlier period. The employment impact — 9.8 percentage points — was similar to the impact in the pre-time limit period, as was the impact on income ($288). Because the program's impact on earnings was initially very small, the impact in quarter 7 ($185) was somewhat larger than in quarters 1-6. However, results in Appendix C indicate that the impact on earnings in quarter 7 was similar to the impact in quarter 6.

As shown in the third panel of Table 4.2, the impact on use of cash assistance was reversed in quarter 8. Reflecting the approximately 13 percent of the sample whose cases were closed, the impact on use of cash assistance changed from an increase of 4.5 percentage points in quarter 7 to a decrease of 5.3 percentage points in quarter 8, a swing of about 10 percentage points.

Despite the reduced public assistance amounts in quarter 8, average income remained higher for the Jobs First group than for the AFDC group. It appears that the extra earnings generated by the impact of the program on employment more than offset the reductions in cash assistance payments stemming from the time limit, at least in this early period after the time limit.

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[22] To assess the potential importance of the EIC, rough estimates of the EIC, federal payroll tax, and federal income tax were imputed using average 1998 earnings by family size and research group. For example, the EIC and taxes were estimated for Jobs First families with one child, using average 1998 earnings for that subgroup. Similar calculations were made for other family sizes for both the Jobs First group and the AFDC group. Results indicate that quarterly income would have been about $475 higher for the Jobs First group and $395 higher for the AFDC group than the income levels shown in Table 4.2. This rough estimate therefore implies that the impact of the Jobs First program on income would have been about $80 per quarter higher than the results shown in Table 4.2 for the period prior to the time limit. This result should be interpreted with caution, however. First, average earnings were used in the calculations, but the EIC and taxes depend on the distribution of income as well. Second, the estimate overstates EIC payments if a substantial number of eligible households fail to apply for the credit.

Comparing the impacts of the program in quarter 10 with the impacts in quarter 8 provides some initial insight into what will happen further after the time limit. This comparison reveals that the program's impact on employment and earnings decreased only slightly between the two periods. The program's reduction in use of cash assistance and cash assistance amounts, however, became somewhat stronger. Moreover, the impact on total income declined substantially. In quarter 8, the average member of the Jobs First group had $166 more in income from earnings, cash assistance, and Food Stamps than the average member of the AFDC group. In quarter 10, this difference had diminished to $68 and was no longer statistically significant.

Although this glimpse into impacts after the time limit is intriguing, it is not clear what to conclude. It is possible that the downward trend in the program's impact on income will continue and that the Jobs First group will eventually have much lower income than the AFDC group on average. On the other hand, the slight difference in income between the two groups may continue, and the enduring effect of Jobs First may be increased earnings offset by reduced reliance on public assistance. Finally, it is important to remember that this measure of income does not include income from the EIC. Since Jobs First increased employment, the impact of the program on total income is probably more positive than shown in Table 4.2.

3. Distribution of income. Even though *average* income was the same for the Jobs First group and the AFDC group in quarter 10 — and higher through most of the follow-up period — this might hide substantial variation in the impact of the program on different individuals. It is possible, for example, that some members of the Jobs First group who reached the time limit would have fared better under AFDC even while the program continued to increase the income of other sample members.

Investigating this issue requires looking at the distribution of income rather than its average. Table 4.3 and Figure 4.4 present such a comparison. The upper panel of both the table and the figure presents the distribution of income in quarter 6 for the Jobs First and AFDC groups, as well as the impact of the program on the distribution. As in Table 4.2, the income measure used includes earnings reported to the UI system, cash assistance amounts, and the cash value of Food Stamps. As a result, it does not include many other sources of income, including other transfer programs, the EIC, or private transfers such as child support, alimony, or other support by family or household members.

In quarter 6, at the end of the pre-time limit period, income was much higher for the Jobs First group than for the AFDC group. It is not surprising, then, that the main impact of the Jobs First on the distribution of income was an increase in the proportion of sample members with income exceeding $3,000 in the quarter. While 43 percent of the Jobs First group had income exceeding $3,000, less than 29 percent of the AFDC group did, implying that Jobs First increased the proportion with relatively high earnings by more than 14 percentage points.[23]

For quarter 8, after the time limit, the results are not as positive (not shown in Figure 4.4).

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[23] Table 4.3 also indicates that the program significantly increased the proportion of the sample with no income from the three administrative records sources in quarter 6. This impact did not occur for the full sample. Since the full sample provides more reliable results than the early cohort, and since there is little reason to expect Jobs First to reduce income early in the follow-up period, this impact probably was not caused by the program.

Table 4.3

Connecticut's Jobs First Program

Distribution of Measured Income[a] in Selected Quarters for the Early Cohort

Outcome	Jobs First Group (%)	AFDC Group (%)	Difference	Percentage Change
Income in quarter 6				
$0	14.6	10.9	3.7 ***	33.7
$1-$1,500	9.4	12.8	-3.5 **	-26.9
$1,501-$2,400	20.8	31.2	-10.4 ***	-33.4
$2,401-$3,000	11.2	15.8	-4.6 ***	-29.1
More than $3,000	44.0	29.2	14.8 ***	50.8
Income in quarter 8				
$0	15.5	14.6	0.9	6.2
$1-$1,500	14.4	12.0	2.4	20.0
$1,501-$2,400	21.1	27.4	-6.3 ***	-22.9
$2,401-$3,000	11.0	15.0	-4.0 ***	-26.5
More than $3,000	38.0	31.0	7.0 ***	22.5
Income in quarter 10				
$0	18.1	16.0	2.1	12.9
$1-$1,500	17.5	14.2	3.4 **	23.6
$1,501-$2,400	14.9	23.5	-8.6 ***	-36.7
$2,401-$3,000	9.1	12.3	-3.2 **	-25.7
More than $3,000	40.4	34.0	6.4 ***	18.7
Sample size	1,059	1,081		

SOURCES: MDRC calculations using Connecticut unemployment insurance (UI) earnings records, Connecticut AFDC/TFA records, and Food Stamp records.

NOTES: The sample includes members randomly assigned between January and June 1996.

Dollar averages include zero values for sample members who were not employed or were not receiving AFDC/TFA or Food Stamps. Estimates were adjusted using ordinary least squares, controlling for pre-random assignment characteristics of sample members.

The follow-up period begins with the first calendar quarter following the quarter in which the case was randomly assigned. The quarter of random assignment is omitted from the follow-up period because sample members may have had some earnings, AFDC/TFA payments, or Food Stamp payments in that quarter, prior to their date of random assignment.

A two-tailed t-test was applied to differences between the research groups. Statistical significance levels are indicated as ***=1 percent, **=5 percent, and *=10 percent.

Distributions may not add to 100 percent because of rounding.

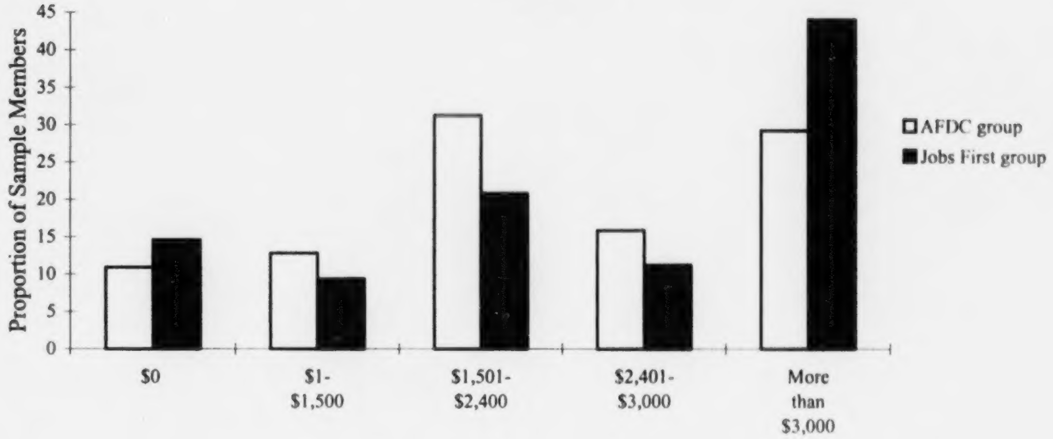
[a] Income from earnings, AFDC/TFA, and Food Stamps.

Figure 4.4

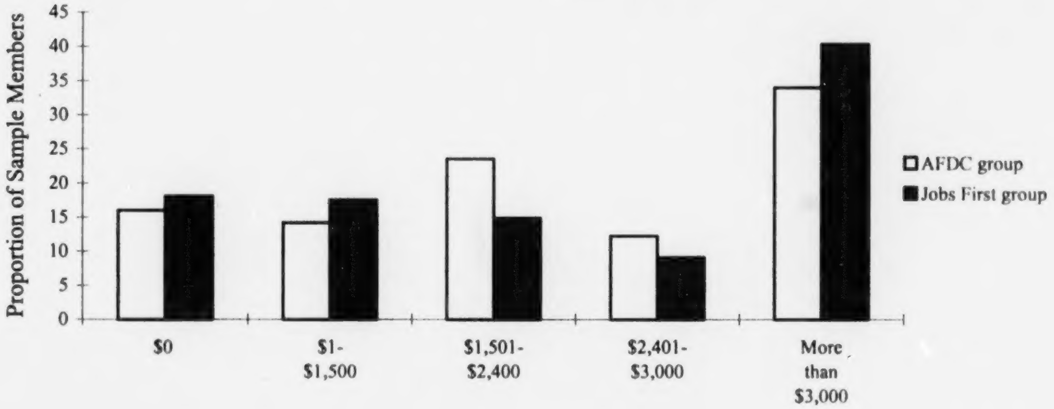
Connecticut's Jobs First Program

Distribution of Quarterly Income from Earnings, AFDC/TFA, and Food Stamps, for the Early Cohort

Quarter 6



Quarter 10



SOURCES: MDRC calculations using Connecticut unemployment insurance (UI) earnings records, Connecticut AFDC/TFA records, and Food Stamp records.

NOTES: The sample includes members randomly assigned between January and June 1996.

Estimates were adjusted using ordinary least squares, controlling for pre-random assignment characteristics of sample members.

In particular, the program's impact on the proportion of the sample with the highest level of income was cut in half, to about 7.3 percentage points. Nevertheless, the program did not significantly increase the proportion of the sample in the lowest income categories in this quarter. Although more than 15 percent of the Jobs First group had no income from the three administrative record sources in quarter 8, about the same proportion of the AFDC group had no income from these sources.[24] While more members of the Jobs First group than the AFDC group had income below $1,500 in the quarter, this difference was not statistically significant. In addition, about the same proportion of the Jobs First group had no income in quarter 6 as had no income in quarter 8, implying that the time limit did not increase the number of people with no reported income during this pre-time limit period.

For quarter 10, the results are even less positive. Perhaps the most troubling result is the second one: more members of the Jobs First group than the AFDC group had income below $1,500 — 17.5 percent compared with 14.2 percent. In addition, more members of the Jobs First group had no income from the administrative data sources, though the difference was not statistically significant. This increase might seem surprising since most families whose cases were closed by the time limit had earnings above the payment standard. However, cases were also closed if recipients did not appear for an exit interview or, in rare cases, were found not to have made a good-faith effort to find a job. It is also possible that some individuals who were earning above the payment standard might have lost their job without returning to the welfare system.

Despite this troubling finding, the results in quarter 10 remained generally positive. In particular, the program continued to increase the proportion of the sample with relatively high income. About 38 percent of the Jobs First group had income exceeding $3,000 in quarter 8 compared with about 31 percent of the AFDC group, an impact of about 7 percentage points.

4. Combining work and welfare. Table 4.4 offers another view of the effect of the time limit. The table shows impacts of the program on the proportion of the sample combining work and welfare by placing sample members in four mutually exclusive categories: employed and receiving cash assistance, not employed and receiving assistance, employed and not receiving assistance, and neither employed nor receiving assistance. Consistent with the results already discussed, the main effect of Jobs First in quarter 6 was to increase the likelihood that an individual would simultaneously work and receive welfare. While 20.8 percent of the AFDC group combined work and welfare, 38.2 percent of the Jobs First group did, for an impact of 17.4 percentage points. In quarter 6, this increase had two sources. Nearly 13 percent of the Jobs First group would have received welfare without working if they had been in the AFDC group, but were encouraged by the program to work and allowed by the enhanced disregard to continue to receive welfare. Another 7 percent of the Jobs First group would have worked without receiving welfare if they had been in the AFDC group, but were allowed by the enhanced disregard to receive welfare as well.

There was a major shift in these numbers between quarters 6 and 8, when about 13 percent of the Jobs First group's cases were closed because of the time limit. Between the two quarters, the proportion of Jobs First group members who combined work and welfare declined by about 15 percentage points (from 38.2 to 23.1 percent), reflecting the finding in Chapter 3 that

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[24] It is important to remember that these individuals may have other sources of income, even though they had no earnings or public assistance in the Connecticut administrative records system.

Table 4.4

Connecticut's Jobs First Program

Impacts on Combining Work and Welfare for the Early Cohort

Outcome	Jobs First Group (%)	AFDC Group (%)	Difference		Percentage Change
Quarter 6					
Employed and receiving AFDC/TFA	38.2	20.8	17.4	***	83.6
Not employed and receiving AFDC/TFA	26.4	39.1	-12.7	***	-32.6
Employed and not receiving AFDC/TFA	17.8	24.9	-7.1	***	-28.6
Neither employed nor receiving AFDC/TFA	17.6	15.2	2.4		16.1
Quarter 8					
Employed and receiving AFDC/TFA	23.1	18.5	4.6	***	25.0
Not employed and receiving AFDC/TFA	22.8	32.7	-9.9	***	-30.4
Employed and not receiving AFDC/TFA	33.8	30.0	3.7	*	12.4
Neither employed nor receiving AFDC/TFA	20.3	18.8	1.6		8.5
Quarter 10					
Employed and receiving AFDC/TFA	20.7	18.6	2.1		11.5
Not employed and receiving AFDC/TFA	16.1	27.1	-11.0	***	-40.5
Employed and not receiving AFDC/TFA	37.4	32.6	4.8	**	14.6
Neither employed nor receiving AFDC/TFA	25.8	21.8	4.1	**	18.7
Sample size	1,059	1,081			

SOURCES: MDRC calculations using Connecticut unemployment insurance (UI) earnings records and Connecticut AFDC/TFA records.

NOTES: The sample includes members randomly assigned between January and June 1996.

Dollar averages include zero values for sample members who were not employed or were not receiving AFDC/TFA. Estimates were adjusted using ordinary least squares, controlling for pre-random assignment characteristics of sample members.

The follow-up period begins with the first calendar quarter following the quarter in which the case was randomly assigned. The quarter of random assignment is omitted from the follow-up period because sample members may have had some earnings, AFDC/TFA payments, or Food Stamp payments in that quarter, prior to their date of random assignment.

A two-tailed t-test was applied to differences between the research groups. Statistical significance levels are indicated as ***=1 percent, **=5 percent, and *=10 percent.

Distributions may not add to 100 percent because of rounding.

the time limit closed the cash assistance cases primarily of people who were already working. At the same time, the proportion of the Jobs First group working without welfare increased by about 16 percentage points (from 17.8 percent in quarter 6 to 33.8 percent in quarter 8). Consistent with results shown in Chapter 3, this implies that the people whose cases were closed by the time limit continued to work, but stopped receiving cash assistance. This movement is seen most directly in the impact of the program on combining work and welfare, which declined from 17.4 to 4.6 percentage points. There was little change, however, in the proportion of people who were on welfare without working, which implies that the time limit did not encourage this group to begin working, most likely because Connecticut extended the time limit for many members of the group.

By quarter 10, the program was no longer significantly increasing the number of people combining work and welfare, which implies that most individuals who were allowed to combine work and welfare because of the Jobs First disregard had reached the time limit and had their case closed by quarter 10. Nevertheless, nearly 21 percent of the sample continued to combine work and welfare. Either these individuals had not reached the time limit or they had reached the time limit and been given an extension.[25] More interesting is the program's emerging impact on the proportion of those who were neither working nor receiving cash assistance. About 26 percent of the Jobs First group fell into this category compared with about 22 percent of the AFDC group, for an impact of 4 percentage points. This result suggests that a growing number of people lost employment after their case had been closed, but had not returned to cash assistance in Connecticut.

5. Providing the Jobs First incentive to people who would have worked without it. A concern about programs with generous financial work incentives is that many people will receive the incentive even though they would have worked without it. These individuals increase the expense of the program, but do not contribute to its goal of increasing work or self-sufficiency (although the additional income they receive might have other positive effects, for example, by allowing parents to better provide for their children). Designing a program like Jobs First that substantially increases employment, self-sufficiency, and income while keeping costs relatively low might depend on keeping this group relatively small. The results in Table 4.4 provide one perspective on the issue.

Individuals who received extra income from Jobs First without changing their work decisions must have combined work and welfare under Jobs First. That is, they must have been part of the 38.2 percent of the Jobs First group who combined work and welfare in quarter 6. This part of the sample can be broken into three hypothetical categories. The first category consists of individuals who would have combined work and welfare even if they had been in the AFDC group. According to results for the AFDC group, it contains 20.8 percent of the sample — the proportion of the AFDC group who combined work and welfare. The second category consists of individuals who would not have worked had they been in the AFDC group, but were working because of Jobs First. It contains 12.7 percent of the Jobs First sample — the impact of the program on the proportion of the sample not employed but receiving cash assistance. The third category consists of individuals who would have worked without the Jobs First program, but received welfare because of the Jobs First disregard. They have received the largest financial benefit from Jobs First without changing their behavior, since they would have worked *and* left welfare without the extra incentive of the Jobs First disregard. Although they also work under Jobs First, they continue to receive their entire welfare check without having changed their employment behavior. This group contains 7.1 percent of the Jobs First group — the impact of the program on the proportion working while not receiving cash assistance.

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[25] It is also possible that a few reached the time limit, had their case closed, lost their job or had their hours and earnings reduced enough to become eligible for cash assistance again, and had returned to cash assistance. Since Chapter 3 indicated that few people followed this path, it is unlikely to explain much of the 21 percent of the sample who continued to combine work and welfare in quarter 10.

Individuals in the first and third categories would have worked under AFDC, but received the Jobs First financial incentive. This implies that more than two-thirds (27.9/38.2 percent) of individuals who combined work and welfare in the Jobs First group would have worked without the program's financial incentive. In other words, fewer than one-third of the individuals who received the incentive in quarter 6 went to work because of the incentive.

C. Impacts on Characteristics of Jobs

1. Monthly earnings, hourly wages, and hours worked. In the early part of the follow-up period, Jobs First produced greater employment impacts than earnings impacts (see Figure 4.1). As discussed above, there are several potential explanations for this. Individuals who started working because of Jobs First may have earned very little if they took a low-wage job or worked very few hours. Or some individuals who would have worked even without Jobs First might have decided to work less or to take a lower-paying job because of the enhanced disregard. Because it contains information on job characteristics such as hourly wages and hours worked, the Interim Client Survey is used to investigate these possibilities. If some individuals responded to Jobs First by cutting back their work effort, then the survey should show a reduction in high-wage jobs or in jobs with high monthly earnings. If, in contrast, the new workers added by Jobs First earned very little, the survey should reveal a large increase in the number of people working few hours at low wages and consequently earning only a few hundred dollars per month.

Table 4.5 attempts to test these possibilities by examining the distribution of monthly earnings, hourly wages, and weekly hours worked for the first job after random assignment using responses to the Interim Client Survey.[26] According to the table, 7.8 percent of the Jobs First group and 7.6 percent of the AFDC group earned $1,500 or more per month; this difference is not statistically significant.[27] In other words, there is no evidence that someone who could have earned more chose to earn less. At the same time, virtually all of the extra employment stemming from Jobs First resulted in monthly earnings between $500 and $1,000 per month. Thus, the likely explanation for the program's modest impact on earnings is that most additional jobs resulted in low monthly earnings.

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[26] Results presented in Tables 4.2-4.4 are for the early cohort of people randomly assigned through June 1996. The survey, in contrast, was administered only to sample members who were randomly assigned after October 1996. It is possible that results for this later cohort do not accurately represent results for the early cohort and therefore do not help understand the employment and earnings impacts shown earlier. However, a comparison of the early cohort with the full sample reveals few significant differences between impacts for the two groups, indicating that the survey respondents probably are similar to the early cohort in their response to Jobs First.

[27] Employment gains implied by the survey are quite a bit greater than those implied by UI records (about 16 percentage points compared with about 7 percentage points). However, the difference is not statistically significant. Even though the difference in impacts is not significantly different from zero, the implication of the impact may depend on whether it is 7 percentage points or 16 percentage points. A closer inspection of differences between the UI data and the survey suggests that it is 7. First, a number of welfare recipients in the AFDC group reported that they were not working, even though the UI records indicated that they were. Few welfare recipients in the AFDC group misreported in the other direction. In contrast, a number of TFA recipients in the Jobs First group reported being employed even though there was no record of employment from the UI records. Few welfare recipients in the Jobs First group misreported in the other direction. Thus, the discrepancy between the survey and administrative records may reflect the incentives of welfare recipients in the two groups to report — or misreport — their employment to the welfare office. Appendix B provides more details on these comparisons.

Table 4.5

Connecticut's Jobs First Program

Impacts on Monthly Earnings, Hourly Wages, and Weekly Hours Worked in First Job After Random Assignment

Outcome	Jobs First Group (%)	AFDC Group (%)	Difference	Percentage Change
Monthly earnings[a]				
Distribution of monthly earnings				
Not employed since random assignment	21.1	36.0	-14.9 ***	41.1
Earned $0-$499 per month	17.4	12.4	5.0 *	39.8
Earned $500-$999 per month	31.9	22.9	9.1 ***	39.6
Earned $1,000-$1,499 per month	16.1	16.1	0.1	0.5
Earned $1,500 or more per month	7.8	7.6	0.2	2.8
Missing information on earnings	5.6	5.0	0.6	12.1
Hourly wage[a]				
Distribution of hourly wages				
Not employed since random assignment	21.1	36.0	-14.9 ***	41.1
Earned less than $6.00 per hour	32.2	19.9	12.2 ***	61.3
Earned $6.00-$7.49 per hour	17.3	17.1	0.2	1.3
Earned $7.50-$11.99 per hour	19.4	17.0	2.4	14.2
Earned $12.00 or more per hour	4.2	4.8	-0.6	-12.2
Missing information on hourly wage	5.8	5.1	0.7	12.7
Weekly hours				
Distribution of weekly hours worked				
Not employed since random assignment	21.1	36.0	-14.9 ***	41.1
Worked 0-14 hours per week	7.9	4.5	3.4 *	74.6
Worked 15-29 hours per week	29.2	21.7	7.4 **	34.3
Worked 30-44 hours per week	34.4	29.7	4.7	15.8
Worked 45 hours or more per week	5.2	6.0	-0.8	-13.2
Missing information on hours worked	2.2	2.0	0.2	9.7
Sample size	379	393		

SOURCE: MDRC calculations using Interim Client Survey data.

NOTES: Estimates were adjusted using ordinary least squares, controlling for pre-random assignment characteristics of sample members.

A two-tailed t-test was applied to differences between the research groups. Statistical significance levels are indicated as *** = 1 percent, ** = 5 percent, and * = 10 percent.

Rounding may cause slight discrepancies in the calculation of sums and differences.

Measures in this table represent weighted averages. To compensate for differences in the proportion of subgroup members chosen to be surveyed, respondents were weighted by the inverse of the probability of being chosen to be interviewed.

[a] Monthly earnings and hourly wages were calculated using reported payment amounts and pay frequencies.

There is also no evidence that individuals accepted lower-wage jobs than they would have under AFDC. Between 4 and 5 percent of both research groups earned relatively high wages exceeding $12 per hour and slightly more of the Jobs First group than the AFDC group earned between $7.50 and $11.99 per hour. Likewise, there is no evidence that individuals cut back their work effort. About the same proportion of each group worked 45 hours or more per week, and there was an increase (though not statistically significant) in the number of people who worked between 30 and 45 hours per week.

The table does provide further support for the hypothesis that the extra work induced by Jobs First was at low wages and that individuals who went to work because of Jobs First worked few hours. According to the table, almost all of the additional jobs generated by the program paid less than $7.50 per hour.[28] In addition, the program increased work at part-time jobs of less than 30 hours per week by about 11 percentage points compared with a 4 percentage point increase in full-time jobs.

2. Other characteristics of jobs. In many respects, the jobs resulting from Jobs First were quite diverse. Table 4.6 shows the characteristics of recipients' most recent job prior to the interview (Text Box 4.1 provides additional detail).[29] About two-thirds of the increased employment due to Jobs First did not offer health insurance. While about 8 percent more of the Jobs First group than the AFDC group worked in a job that did not offer health insurance, only about 5 percent more of the Jobs First group than the AFDC group worked in a job that did offer health insurance. Even when health insurance was offered, few individuals enrolled. While 9.7 percent of the AFDC group enrolled in health insurance on the job, 11.5 percent of the Jobs First group did so, a very small impact indeed.

In addition to provision of health insurance, new jobs resulting from Jobs First were diverse in other ways as well. About half of them provided sick days (a 6.9 percentage point increase in jobs with sick days and a 7.2 percentage point increase in jobs without); about half provided paid vacation (a 7.2 percentage point increase in jobs with paid vacation and a 5.8 percentage point increase in jobs without). The additional jobs were about equally split between regular daytime shifts, regular evening or night work, and irregular or rotating shifts (a 6.0 percentage point increase in jobs with a regular daytime shift, a 4.0 percentage point increase in jobs with a regular evening or night shift, and a 5.0 percentage point increase in jobs with an irregular shift).

D. Other Outcomes from the Survey

The Interim Client Survey contains information on a wide variety of other outcomes. Table 4.7 presents the impact of the program on marital status, housing status, and household composition. As the table indicates, there were few differences between the Jobs First group and the AFDC group 18 months after random assignment. They were equally likely to be married, equally likely to live in public housing, and equally likely to own their own home. In one respect,

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[28] Only about 8 percent of workers in the survey sample reported an hourly wage. For the remainder, the hourly wage was calculated using respondents' reported earnings and hours worked. This calculation will understate the hourly wage if respondents understated their earnings or overstated their hours worked.

[29] Table 4.5 presented wage and hours information for the *first* job after baseline to investigate why earnings impacts were initially so small. Table 4.6, on the other hand, presents job characteristics for the current or most recent job because the Interim Client Survey collected information on a number of job characteristics for only the current or most recent job.

Table 4.6

Connecticut's Jobs First Program

Impacts on Characteristics of Current or Most Recent Job

Outcome	Jobs First Group	AFDC Group	Difference	Percentage Change
Job offers health insurance (%)				
Not employed since random assignment	21.1	36.0	-14.9 ***	41.4
Self-employed	2.6	0.8	1.8 *	219.1
Employed, job offers health insurance	31.1	25.6	5.5 *	21.6
Employed, job does not offer health insurance	44.1	36.0	8.0 **	22.3
Enrolled in job health insurance (%)				
Not employed since random assignment	21.1	36.0	-14.9 ***	41.4
Self-employed	2.6	0.8	1.8 *	219.1
Enrolled in health insurance	11.5	9.7	1.8	18.4
Offered health insurance, did not enroll	19.6	15.6	4.0	25.8
Not offered health insurance	44.1	36.0	8.0 **	22.3
Job provides paid sick days (%)				
Not employed since random assignment	21.1	36.0	-14.9 ***	41.4
Self-employed	2.6	0.8	1.8 *	219.1
Employed, job offers paid sick days	28.2	21.2	6.9 **	32.7
Employed, job does not offer paid sick days	46.8	39.5	7.2 **	18.3
Job provides paid vacation/holidays (%)				
Not employed since random assignment	21.1	36.0	-14.9 ***	41.4
Self-employed	2.6	0.8	1.8 *	219.1
Employed, job offers paid vacation	40.3	33.1	7.2 **	21.8
Employed, job does not offer paid vacation	35.4	29.6	5.8 *	19.6
Typical work schedule (%)				
Not employed since random assignment	21.1	36.0	-14.9 ***	41.4
Regular daytime shift	45.6	39.6	6.0 *	15.1
Regular evening/night shift	14.3	10.3	4.0 *	39.1
Irregular/split/rotating shift	18.7	13.8	5.0 *	36.0
Sample size	379	393		

SOURCE: MDRC calculations using the Interim Client Survey data.

NOTES: Estimates were adjusted using ordinary least squares, controlling for pre-random assignment characteristics of sample members.

A two-tailed t-test was applied to differences between the research groups. Statistical significance levels are indicated as *** = 1 percent, ** = 5 percent, and * = 10 percent.

Rounding may cause slight discrepancies in the calculation of sums and differences.

Measures in this table represent weighted averages. To compensate for differences in the proportion of subgroup members chosen to be surveyed, respondents were weighted by the inverse of the probability of being chosen to be interviewed.

Table 4.7

Connecticut's Jobs First Program

Impacts on Household Characteristics at the Time of the Interim Client Survey Interview

Outcome	Jobs First Group	AFDC Group	Difference	Percentage Change
Marital status and childbearing				
Marital status (%)				
Married and living with spouse	5.8	7.0	-1.2	17.2
Separated	16.1	11.6	4.5 *	38.4
Divorced	16.8	20.7	-3.9	19.0
Widowed	1.1	1.6	-0.5	30.0
Never married	60.2	58.8	1.4	2.4
Missing marital status	0.0	0.3	-0.3	97.7
Change in marital status since random assignment (%)				
Change in marital status	18.2	19.9	-1.7	8.5
No change in marital status	81.3	79.3	2.0	2.5
Missing marital status at interview or at random assignment	0.5	0.8	-0.3	35.8
Gave birth since random assignment (%)				
Gave birth	24.1	24.3	-0.2	0.7
Did not give birth	72.8	73.1	-0.3	0.4
Male	3.0	2.6	0.4	15.9
Housing				
Residential status (%)				
Owns home	2.4	2.1	0.3	13.8
Rents home alone or with family/friends	90.0	90.8	-0.8	0.8
Lives rent-free with family or friends	4.8	4.2	0.6	14.2
Other (shelter, homeless, group home)	2.5	2.9	-0.4	15.0
Missing	0.3	0.0	0.3	3593.0
Currently living in public or subsidized housing (%)	44.0	48.4	-4.4	9.1
Number of residents in household, including respondent				
Average total number living in household	3.5	3.3	0.2 ***	7.6
Average number of adults in household	1.6	1.5	0.1 *	7.2
Average number of minors in household	2.0	1.9	0.1	6.7
Sample size	379	393		

SOURCE: MDRC calculations using Interim Client Survey data.

NOTES: Estimates were adjusted using ordinary least squares, controlling for pre-random assignment characteristics of sample members.

A two-tailed t-test was applied to differences between the research groups. Statistical significance levels are indicated as *** = 1 percent, ** = 5 percent, and * = 10 percent.

Rounding may cause slight discrepancies in the calculation of sums and differences.

Measures in this table represent weighted averages. To compensate for differences in the proportion of subgroup members chosen to be surveyed, respondents were weighted by the inverse of the probability of being chosen to be interviewed.

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Text Box 4.1

Connecticut's Jobs First Program

Characteristics of Jobs First Survey Respondents Employed at the Time of the Interim Client Survey Interview

Employment Status and Characteristics

Over half (56%) of Jobs First group members reported that they were employed at the time of interview. Nearly all (93%) employed Jobs First group members reported holding one job. Only 7% reported holding two jobs. This textbox will focus on the current job or the job in which the respondent worked the most hours at the time of the Interim Client Survey.

Monthly Earnings, Hourly Wages, and Hours Worked for Current Job

Monthly Earnings	%	Hourly Wage	%	Hours Worked per Week	%
Missing information	4.3	Missing information	4.2	Missing information	1.9
$1-$499	17.1	$0.01-$5.99	24.0	1-14	9.8
$500-$999	34.2	$6.00-$7.49	23.9	15-29	31.4
$1,000-$1,499	25.6	$7.50-$11.99	38.0	30-44	47.2
$1,500+	18.7	$12.00+	9.9	45+	9.8

Characteristics of the Current Job

Typical work schedule

Very few (2%) employed Jobs First members were self-employed. Of the remaining cases, over half (55%) described their typical work schedule as a regular daytime shift. The rest reported working a regular evening or night shift (20%) or having an irregular schedule or a split or rotating shift (25%).

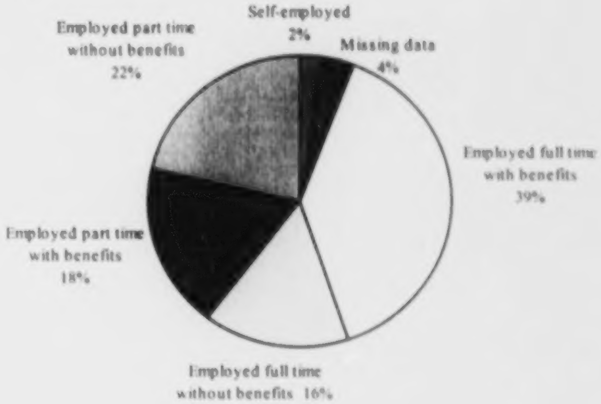
Transportation

Average one-way transportation time was 21 minutes and cost $42 in the month prior to interview.

Health insurance

Fewer than half (45%) of employed Jobs First members were offered health insurance by their current employer. Of these, 38% enrolled in their company's plan. Nearly all (91%) of those not offered health insurance were covered by Medicaid, and the majority of those who did not enroll in their company's health plan were covered by Medicaid (81%).

Employment status by fringe benefits received[a]



SOURCE: MDRC calculations using Interim Client Survey data.

NOTES: Measures in this table represent weighted averages. To compensate for differences in the proportion of subgroup members chosen to be surveyed, respondents were weighted by the inverse of the probability of being chosen to be interviewed.

Rounding may cause slight discrepancies in the calculation of sums and differences.

[a] Full time was defined as working 30 hours or more per week. Benefits were received if the employer offered health insurance, paid vacation, or paid sick days.

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there was a statistically significant difference between the two groups: the Jobs First households contained more individuals, particularly more adults, than the AFDC households. It is not clear what caused this difference. Perhaps the additional income from earnings and the program's earnings disregard allowed families in the Jobs First group to take in needy relatives or friends. On the other hand, since this impact is not corroborated by other changes such as increased marriage, it may be a rare statistical fluke that is not really due to the program.

One component of the Jobs First policy was intended to directly affect a measure shown in Table 4.7. A partial family cap increases payments to those who conceive a child while receiving cash assistance by less under Jobs First than under AFDC. The intent of this policy is to limit recipients' financial incentive to give birth. According to Table 4.7, there was no apparent impact on childbearing in the first 18 months of follow-up. In the Jobs First group 24.1 percent had given birth since random assignment compared with 24.3 percent of the AFDC group.[30]

Other outcomes from the survey are summarized in Table 4.8 The most interesting part of this table is on health insurance coverage. Despite the lack of health insurance on the job, more people were covered by health insurance in the Jobs First group than in the AFDC group. At the time of the survey, about 90 percent of the Jobs First group indicated that they were covered by some sort of medical insurance compared with 82 percent of the AFDC group. About 10 percent of both groups indicated that they were covered by their employer's health insurance. Thus, the program's increase in medical insurance appears to reflect an increase in eligibility for Medicaid resulting from an increase in welfare use. This is verified in Table 4.8; while 69.2 percent of the AFDC group was covered by Medicaid, 82.3 percent of the Jobs First group was covered, an increase of about 13 percentage points. The availability of Medicaid for members of the Jobs First group might have freed them from having to take a job that provides medical insurance. It remains to be seen whether these individuals can find other jobs that do provide health insurance if they lose eligibility for welfare and eventually Medicaid after reaching the Jobs First time limit. Because transitional Medicaid is available for two years for people who leave welfare while they are working, members of the Jobs First group should be eligible for some form of health insurance for some time.

The program also appeared to increase other measures of economic well-being. At the survey point, program group members were more likely to have some savings and significantly more likely to have savings of more than $500. The program also resulted in a 7 percentage point gain in the proportion of people who owned a car. Reflecting the increase in earnings and public assistance in the pre-time limit period, the Jobs First group had higher individual income than the AFDC group. In addition, the Jobs First group received significantly higher average child support payments than the AFDC group. Since the amount contributed by other household members was similar for the two groups, this implies that total household income was also higher for the Jobs First group than the AFDC group. In particular, impacts of the program estimated using administrative records are likely to accurately reflect the impact of the program on household

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[30] In the Jobs First group, only 6.4 percent of the sample were directly affected by the partial family cap when they gave birth to a child conceived while on TFA. The remaining parents who gave birth after random assignment either conceived their child while not on cash assistance or prior to random assignment or gave birth while not on cash assistance. In other cases, the child appeared to meet the cap criteria, but the cap was not imposed by staff (for unknown reasons). For families whose benefits were reduced because of the cap, moreover, the effect on benefits was sometimes temporary, and their benefit levels changed at later redetermination interviews.

Table 4.8

Connecticut's Jobs First Program

Impacts on Miscellaneous Economic Outcomes

Outcome	Jobs First Group	AFDC Group	Difference	Percentage Change
Employment and educational attainment				
Looked for work in month prior to survey (%)				
Looked for work in prior month	21.9	26.5	-4.6	-17.2
Did not look for work	21.7	32.1	-10.4 ***	-32.3
Not asked (currently working)	56.3	41.4	14.9 ***	36.0
Educational attainment at interview[a] (%)				
High school diploma	60.3	58.9	1.4	2.4
GED	9.9	7.9	2.0	25.1
Trade license/certificate	31.8	28.1	3.7	13.1
AA degree	7.2	5.8	1.4	24.1
Some college	9.1	9.0	0.1	1.6
BA/graduate degree	3.0	3.9	-0.9	-22.5
Change in educational attainment since random assignment (%)				
Change in educational attainment	17.9	14.0	3.9	27.7
No change in educational attainment	82.1	86.0	-3.9	-4.5
Health insurance in prior month				
Respondent covered by Medicaid (%)				
Covered by Medicaid	82.3	69.2	13.1 ***	18.9
Not covered by Medicaid	14.3	26.2	-11.9 ***	-45.5
Don't know	1.2	1.4	-0.2	-15.2
Missing	2.3	3.2	-0.9	-29.1
Respondent covered by non-Medicaid health insurance (%)				
Covered by non-Medicaid health insurance	7.4	13.2	-5.9 ***	-44.3
Not covered by non-Medicaid health insurance	90.1	83.1	7.0 ***	8.4
Don't know	0.3	0.5	-0.2	-44.1
Missing	2.3	3.2	-0.9	-29.1
Respondent covered by any type of health insurance (%)				
Covered by any health insurance	89.6	82.4	7.2 ***	8.7
Not covered by any health insurance	7.6	13.3	-5.8 ***	-43.3
Don't know	0.6	1.1	-0.5	-48.0
Missing	2.3	3.2	-0.9	-29.1
Child covered by Medicaid (%)				
All children covered by Medicaid	77.1	68.0	9.1 ***	13.4
Some children not covered by Medicaid	11.4	17.2	-5.7 **	-33.4
Respondent does not have a child	7.8	11.9	-4.0 *	-34.0
Don't know	0.6	0.0	0.6	8804.5
Missing	2.9	2.9	0.1	2.4

(continued)

Table 4.8 (continued)

Outcome	Jobs First Group	AFDC Group	Difference	Percentage Change
Child covered by non-Medicaid health insurance (%)				
All children covered by non-Medicaid health insurance	8.0	10.9	-2.9	-26.9
Some children not covered by non-Medicaid health insurance	4.1	6.2	-2.2	-34.7
Not applicable because child covered by Medicaid	77.1	68.0	9.1 ***	13.4
Respondent does not have a child	7.8	11.9	-4.0 *	-34.0
Missing	2.9	2.9	0.1	2.4
Child covered by any type of health insurance (%)				
All children covered by some type of health insurance	85.1	79.0	6.1 **	7.8
Some children not covered by any type of health insurance	4.1	6.2	-2.2	-34.7
Respondent does not have a child	7.8	11.9	-4.0 *	-34.0
Missing	2.9	2.9	0.1	2.4
Economic well-being				
Average amount in savings ($)	179	138	41	29.8
Distribution of savings (%)				
No savings	63.2	70.6	-7.4 **	-10.6
Savings of $1-$250	18.2	16.2	2.0	12.5
Savings of $251-$500	6.6	5.1	1.5	30.0
Savings of $501 or more	8.1	3.9	4.2 **	107.8
Missing	3.9	4.2	-0.3	-7.5
Owns car (%)	36.0	29.2	6.8 **	23.2
Moved since random assignment (%)				
Moved to a better place	25.7	27.5	-1.8	-6.6
Moved to a worse place	4.2	5.0	-0.7	-14.8
Moved to a place that was about the same	16.0	15.7	0.3	1.9
Did not move since random assignment	54.1	51.8	2.3	-4.7
Child support received in prior month (%)	19.2	19.3	-0.1	-0.7
Average child support payments received by respondent in prior month($)[b]	51	35	17 *	47.7
Total income in the month prior to interview ($)				
Average total income for respondent ($)[c]	993	818	175 ***	21.4
Average total income for other household members ($)[c, d]	238	176	63	35.6
Sample size	379	393		

(continued)

Table 4.8 (continued)

SOURCE: MDRC calculations using Interim Client Survey data.

NOTES: Estimates were adjusted using ordinary least squares, controlling for pre-random assignment characteristics of sample members.

A two-tailed t-test was applied to differences between the research groups. Statistical significance levels are indicated as *** = 1 percent, ** = 5 percent, and * = 10 percent.

Rounding may cause slight discrepancies in the calculation of sums and differences.

Measures in this table represent weighted averages. To compensate for differences in the proportion of subgroup members chosen to be surveyed, respondents were weighted by the inverse of the probability of being chosen to be interviewed.

[a] The education status variables do not represent mutually exclusive categories.

[b] This is the overall average, including those who received no child support. The average among those who received child support was $273 for the Jobs First group and $180 for the AFDC group.

[c] Total income includes AFDC/TFA and Food Stamp benefits, child support, earnings from employment, and income received from other sources.

[d] Total income for other household members includes only income that the respondent reported is used to support her and her children.

resources. (Text Box 4.2 provides some descriptive information on respondents who were neither working nor receiving welfare when interviewed.)

VI. Impacts of Jobs First for Subgroups

Although Jobs First increased employment, earnings, and income, these impacts may mask important differences across large groups of sample members. In some cases, the program's impacts may be much larger for some subgroups. In the Minnesota Family Investment Program (MFIP), a welfare reform program that shares the financial incentives and mandatory employment services of Jobs First, people who had already spent two years or more on welfare when they entered the program increased their employment by more than 15 percentage points in response to the program.[31] In other cases, a program with time limits and mandated services may lower the income of particularly disadvantaged subgroups who cannot respond to the mandate and nonetheless lose welfare due to the time limit. An evaluation of the Florida Family Transition Program (FTP), a program like Jobs First that combines a time limit with employment services and financial incentives, found that FTP decreased income significantly for individuals with no recent work experience who had not graduated from high school.[32]

This section investigates the impacts of Jobs First on three key subgroups — individuals who were applying for cash assistance when they were randomly assigned (applicants), those who were already receiving cash assistance when they were randomly assigned (recipients), and a particularly disadvantaged group of long-term recipients who had not graduated from high school and who had not worked in the year prior to random assignment. The section ends with a

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[31] See Miller et al., 1997, for details on the MFIP program and early results from the random assignment evaluation.

[32] See Bloom et al., 1999, for details on the FTP program and interim results from the random assignment evaluation.

Text Box 4.2

Connecticut's Jobs First Program

Jobs First Survey Respondents Who Reported Not Working and Not Receiving TFA at the Time of the Interim Client Survey Interview

Definition

- This textbox describes the 9% of Jobs First survey respondents who reported not working at the time of interview and not having received TFA in the month prior to interview.
- Nearly half (47%) of those who were fielded but not located for interview neither worked nor received TFA in quarter 6 according to state UI and TFA data sources. It is possible that the survey nonrespondents who were not working or receiving TFA had moved out of state or were otherwise difficult to locate because a current address was not available.
- The survey information presented below describes the Jobs First survey respondents who were not working and not receiving TFA. See Appendix B for a discussion of survey respondents versus nonrespondents.

Demographic Characteristics

Marital status

Status	%
Never married	50.9
Married and living with spouse	13.5
Separated from spouse	19.6
Divorced	10.6
Widowed	5.3

Educational status

Status	%
High school diploma	39.0
GED	9.2
Trade license	12.8
Associate's degree	4.4
Bachelor's degree	2.1

Housing and household composition

None reported living alone but 46% reported being the sole adult in the household. Most (83%) reported renting their living quarters and 38% reported living in public or Section 8 housing. Very few (2%) reported being pregnant at the time of interview and 17% had a baby since random assignment.

Health insurance

Most (82%) reported being covered by health insurance, usually Medicaid (76%).

Employment and Welfare History

Many (39%) reported working since random assignment. About one-half (53%) reported receiving TFA at some point since random assignment. Less than one-third (28%) reported neither receiving TFA nor working since random assignment.

Other Financial Assistance

Most (82%) reported receiving some source of financial assistance in the month prior to interview, such as Food Stamps, child support, "other" sources of aid, or assistance from other household members:

Source	%	Average Amount Received of Those Receiving Assistance
Food Stamps	64.3	$196
Child support	27.2	$517
Other source of aid	9.6	$452
Assistance from other household members	18.0	$593
Total aid	82.3	$506

SOURCES: MDRC calculations using Interim Client Survey data, Connecticut unemployment insurance (UI) earnings records, and Connecticut TFA records.

NOTE: Measures in this table represent weighted averages. To compensate for differences in the proportion of subgroup members chosen to be surveyed, respondents were weighted by the inverse of the probability of being chosen to be interviewed.

comparison of impacts in the two sites in the Jobs First evaluation: New Haven and Manchester. To obtain increased confidence in the impacts for subgroups, results in this section use the full sample of individuals who were randomly assigned between January 1996 and February 1997. As a result, impacts are presented for only eight quarters, just after families began reaching the program's time limit.

A. Impacts for Applicants and Recipients

In addition to looking for differing impacts for applicants and recipients, comparing the impacts of Jobs First for the two groups is important for a second reason. The evaluation of Jobs First is following a set group of individuals over four years to understand the effects of the new policy on their employment, welfare use, and income. At the same time, the State of Connecticut has begun a Jobs First program throughout the state, with the same policies as the program being studied in this report. When that statewide program has been in place for a few years, most recipients of cash assistance will have already been introduced to its policies. Indeed, many of them will have already reached the Jobs First time limit. In such an ongoing program, therefore, individuals will be introduced to the program when they apply for benefits. Impacts for applicants may therefore provide the best estimate of the impacts of a Jobs First program that has been in place for a few years.[33]

1. Impacts for individuals applying for cash assistance at the time of random assignment. Many individuals who leave welfare do so quickly, and do so to go to work. Generally speaking, therefore, welfare applicants are expected to have relatively high employment rates, and Jobs First is likely to produce small increases in employment for this group. Welfare applicants might also be less likely to respond to the program's financial incentives to work. If they never received AFDC prior to random assignment, they might not fully appreciate the relative generosity of the Jobs First earnings disregard. Nevertheless, the program's enhanced disregard should produce substantially higher rates of welfare use among applicants who would have worked without receiving cash assistance, and the program's higher asset limits might produce higher welfare use among applicants who would have been denied cash assistance under AFDC rules.

Table 4.9 bears out these predictions. Jobs First did not encourage much additional employment among applicants, but did increase their use of cash assistance. During the first six quarters after random assignment, about 50 percent of both research groups were employed on average in a quarter, and earnings for both groups were about $1,300 per quarter. During this period, however, the Jobs First group was significantly more likely to receive cash assistance and received about $200 per quarter more in cash assistance payments than the AFDC group, an increase of about 30 percent. As a result income for this group was also about $200 more per month than under AFDC.

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[33] In the future, all families who begin to receive Jobs First benefits will do so when they apply for welfare benefits. Nevertheless, results for applicants are not perfect predictors of the impacts of an ongoing program. First, since Jobs First does not restrict parents' ability to receive welfare as long as they comply with work requirements, some long-term recipients would always be part of the Jobs First program. In addition, Jobs First, the federal Temporary Assistance for Needy Families (TANF) rules, and national changes in the social acceptability of receiving welfare might have changed who applies for cash assistance in Connecticut. As a result, individuals who applied for cash assistance during the intake period of the Jobs First evaluation might differ fundamentally from future applicants.

Table 4.9

Connecticut's Jobs First Program

Impacts on Employment, Earnings, Welfare Use, and Income for Applicants and Recipients

Outcome	Jobs First Group	AFDC Group	Difference		Percentage Change
Applicants					
Quarters 1-6					
Average quarterly employment rate (%)	50.9	48.3	2.5		5.2
Average quarterly earnings ($)	1,289	1,330	-42		-3.1
Average percent receiving AFDC/TFA (%)	64.8	54.9	10.0	***	18.2
Average quarterly AFDC/TFA payments ($)	891	687	204	***	29.6
Average percent receiving Food Stamps (%)	65.2	59.8	5.4	***	9.0
Average quarterly Food Stamp payments ($)	378	318	60	***	18.7
Average quarterly income from earnings, AFDC/TFA, and Food Stamps ($)	2,557	2,336	221	***	9.5
Quarter 8					
Ever employed (%)	57.4	53.4	4.1	*	7.6
Earnings ($)	1,912	1,778	134		7.6
Ever received AFDC/TFA (%)	37.5	36.2	1.3		3.5
AFDC/TFA benefits ($)	498	465	33		7.1
Ever received Food Stamps (%)	46.7	43.5	3.2		7.4
Food Stamp benefits ($)	279	251	28	*	11.1
Income from earnings, AFDC/TFA, and Food Stamps ($)	2,690	2,495	195	*	7.8
Sample size	901	979			
Recipients					
Quarters 1-6					
Average quarterly employment rate (%)	51.3	40.4	10.9	***	27.1
Average quarterly earnings ($)	1,044	872	172	***	19.7
Average percent receiving AFDC/TFA (%)	83.6	78.1	5.5	***	7.1
Average quarterly AFDC/TFA payments ($)	1,241	1,070	171	***	16.0
Average percent receiving Food Stamps (%)	84.2	83.1	1.0		1.2
Average quarterly Food Stamp payments ($)	562	517	45	***	8.8
Average quarterly income from earnings, AFDC/TFA, and Food Stamps ($)	2,848	2,460	388	***	15.8
Quarter 8					
Ever employed (%)	56.8	46.8	10.0	***	21.3
Earnings ($)	1,536	1,286	250	***	19.4
Ever received AFDC/TFA (%)	50.6	60.5	-9.9	***	-16.4
AFDC/TFA benefits ($)	724	823	-99	***	-12.0
Ever received Food Stamps (%)	65.8	68.6	-2.7		-4.0
Food Stamp benefits ($)	431	438	-7		-1.6
Income from earnings, AFDC/TFA, and Food Stamps ($)	2,694	2,546	148	**	5.8
Sample size	1,495	1,428			

(continued)

Table 4.9 (continued)

SOURCES: MDRC calculations using Connecticut unemployment insurance (UI) earnings records, Connecticut AFDC/TFA records, and Food Stamp records.

NOTES: The sample includes members randomly assigned between January 1996 and February 1997.

Dollar averages include zero values for sample members who were not employed or were not receiving AFDC/TFA or Food Stamps. Estimates were adjusted using ordinary least squares, controlling for pre-random assignment characteristics of sample members.

Quarter 1 refers to the calendar quarter following the quarter in which the case was randomly assigned. Thus, the period designated as "quarters 1-6" includes the 18-month period starting in quarter 1. The quarter of random assignment was omitted from the summary measures because sample members may have had some earnings, AFDC/TFA payments, or Food Stamp payments in that quarter, prior to their date of random assignment.

A two-tailed t-test was applied to differences between the research groups. Statistical significance levels are indicated as ***=1 percent, **=5 percent, and *=10 percent.

Within 24 months of random assignment, about half of the 22.3 percent of applicants who had reached the Jobs First time limit had their benefits discontinued (results not shown in Table 4.9). The effect of these case closures can be seen in the reduction in the program's impact on use of cash assistance. In quarters 1-6, 10 percent more of the Jobs First group than the AFDC group received cash assistance. By quarter 8, this impact had decreased to 1.3 percentage points. The fact that the time limit did not result in less use of cash assistance by the Jobs First group than the AFDC group in quarter 8 means that all sample members whose cases were closed would already have left AFDC before quarter 8 if they had been in the AFDC group.

From the point of view of applicants, therefore, the Jobs First policy looks mostly positive. Before any families reached the time limit, it increased income, and there is no reason to think it decreased income for any families. In the early part of the post-time limit period, it appears that all families whose cases were closed by the time limit would have already been off cash assistance under AFDC. Moreover, income continued to be increased significantly for applicants during the immediate post-time limit period. By providing extra income, Jobs First may provide an extra incentive for some individuals to apply for public assistance to receive the extra income accruing from the enhanced disregard. Some individuals may even cut back their work effort temporarily in order to meet the eligibility criteria for TFA, and then resume their previous work to take advantage of the program's enhanced disregard.[34] Such behavior, if it occurs, could make the statewide Jobs First program more expensive than indicated by this report, without increasing employment or earnings of the extra individuals taking advantage of the enhanced disregard.[35]

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[34] After they begin receiving TFA, applicants can earn up to the federal poverty threshold without having their cash payments reduced. In order to qualify for benefits initially, however, an applicant must be earning less than the potential monthly cash assistance amount plus $90, unless the applicant had received cash assistance in one of the four months prior to applying (again).

[35] The idea that individuals will apply for welfare because of the TFA earnings disregard is sometimes called an *entry effect*. See Moffitt, 1992, for a theoretical discussion of entry effects and Moffitt, 1996, for simulated estimates of the likely magnitude of entry effects. In Canada, the Self-Sufficiency Project (SSP) contained a special study to look at entry effects caused by its generous financial incentive. The evidence from this experiment indicated that the entry effect would be small. However, SSP differed from Jobs First in one important aspect. Individuals were eligi-

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2. Impacts for recipients of cash assistance at the time of random assignment.[36] The predicted impacts of Jobs First for applicants can almost be reversed for recipients of cash assistance at the time of random assignment. Because recipients are a more disadvantaged group, they will be less likely to work than applicants, and they may benefit from the assistance provided by the Jobs First employment services. Because recipients are more familiar with AFDC rules, they might also appreciate more the opportunity presented by the Jobs First earnings disregard. For both reasons, the impact of Jobs First on employment among recipients should be quite large. At the same time, almost by definition the program cannot initially increase use of cash assistance for this group that is already receiving cash assistance at random assignment. Because the program is expected to increase employment, however, it should also produce welfare savings for this group in the period after families begin reaching the time limit.

Table 4.9 shows that the program produced double-digit increases in employment for recipients in the first two years of follow-up. Moreover, earnings increased substantially for this group — by more than $170 per quarter during the first six quarters of follow-up. Because individuals in this subgroup were already receiving cash assistance at the time of random assignment, rates of use of cash assistance were quite high. In the first six quarters after random assignment, 83.6 percent of the Jobs First group received cash assistance on average compared with 78.1 percent of the AFDC group. Nevertheless, this small change was statistically significant, as was the increase in cash assistance amounts of $171 per quarter. The combination of higher earnings and higher cash assistance payments produced substantially higher income for recipients in the early part of the follow-up period. During this period, average income for the Jobs First group was nearly $400 per quarter higher than for the AFDC group.

Within 24 months of random assignment, 48.2 percent of recipients had reached the Jobs First time limit. Although most received extensions, 18.2 percent of recipients stopped receiving cash assistance after 21 months, implying that their cases were closed by the time limit. The effects of these case closures can be seen in the reversal of the program's impact on use of cash assistance. In quarters 1-6, the program increased use of cash assistance by 5.5 percentage points. In quarter 8, in comparison, 60.5 percent of the AFDC group received welfare compared with only 50.6 percent of the Jobs First group, a reduction of 9.9 percentage points due to Jobs First.

Although income for the Jobs First group appeared to fall because of the imposition of the time limit — the average member of the Jobs First group had income of about $2,840 per quarter in quarters 1-6 but only about $2,690 in quarter 8 — the program continued to produce higher average income for the Jobs First group than for the AFDC group. In particular, an increase in earnings of $250 in quarter 8 was offset only partially by a decrease in cash assistance of $99, with Food Stamp benefits virtually the same for the two groups. The result was an average income gain of $148 in quarter 8 because of Jobs First. Since the program's impact on in-

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ble for SSP's financial incentive only after being on welfare for a year. Jobs First individuals are eligible for the enhanced disregard as soon as they begin receiving welfare. Thus, the entry effect in Jobs First is likely to be much larger than the estimated entry effect in SSP.

[36] MFIP's strong results applied only to recipients who had received welfare for 24 of the 36 months prior to random assignment (long-term recipients), the only group required to participate in employment and training services. Its results for short-term recipients and applicants were much weaker. In comparison, the Jobs First results presented for recipients in this section are similar to results for long-term recipients. For simplicity, results are presented for recipients and applicants rather than for the three subgroups studied in MFIP.

come was declining early in the period after the time limit, it is possible that income gains from Jobs First will diminish over time and may eventually disappear.

B. Impacts for the Most Disadvantaged Welfare Recipients

Critics of time-limited welfare sometimes argue that time limits will hurt individuals who are incapable of working or finding other means of support. If those individuals are cut off welfare, their income may be substantially reduced and they may be thrust further into poverty. To investigate this possibility, Table 4.10 presents impacts of Jobs First for a particularly disadvantaged group of sample members — individuals who received cash assistance for at least 22 of the 24 months prior to random assignment, who had not received a high school diploma by the time of random assignment, and who had not worked in the year prior to random assignment.[37] Because these individuals lack job skills and work experience, they are likely to have the hardest time finding employment.

The results for quarters 1-6 are striking. Employment increased by more than 15 percentage points. Earnings nearly doubled, from $283 per quarter for the AFDC group to $518 per quarter for the Jobs First group. Income increased by $273 per quarter.

On the other hand, Jobs First did not significantly increase receipt of cash assistance or cash assistance amounts for this group. This suggests that the same number of people left welfare for work in the Jobs First group as in the AFDC group, a somewhat surprising result considering that the Jobs First disregard probably would have allowed some of these people to continue receiving cash assistance under Jobs First.

A somewhat puzzling finding for the most disadvantaged recipients concerns the impact of Jobs First on the distribution of income. In quarter 6, the program increased the proportion of individuals with income exceeding $3,000 from about 20 percent to nearly 30 percent. However, virtually all of this increase appears to have come from individuals who would have had income in the range of $2,400 to $3,000 in the quarter. This is an odd result in light of the fact that a single-parent family with two children would qualify for less than $2,400 in combined benefits from AFDC and Food Stamps. Combined with the implication that the primary effect of Jobs First for the most disadvantaged recipients was to increase employment among those who would have relied solely on public assistance, this result implies that most families who responded to Jobs First had more than two children and therefore received more than $2,400 per month under Jobs First.[38]

Table 4.10 shows the same outcomes for quarter 8, after some individuals would have reached the Jobs First time limit. After the time limit, the program continued to have impressive impacts on employment and earnings. As it did for the larger group of recipients described earlier, the program substantially decreased receipt of cash assistance and cash assistance amounts

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[37] Specifically, this group includes all individuals who (1) had received AFDC in 22 of the 24 months prior to random assignment, according to administrative records; (2) had not received either a high school diploma or a GED, according to the BIF; and (3) had no earnings reported to the Connecticut UI system in the year prior to random assignment.

[38] Impacts for this subgroup were further compared for sample members with three children or more and those with two children or fewer. The impacts of the program were substantially larger for those with three children or more.

Table 4.10

Connecticut's Jobs First Program

Impacts on Employment, Earnings, Welfare Use, and Income for Most Disadvantaged[a] Sample Members

Outcome	Jobs First Group	AFDC Group	Difference		Percentage Change
Quarters 1-6					
Average quarterly employment rate (%)	32.4	17.0	15.4	***	90.7
Average quarterly earnings ($)	518	283	235	***	82.9
Average percent receiving AFDC/TFA (%)	89.7	88.0	1.7		2.0
Average quarterly AFDC/TFA payments ($)	1,382	1,342	40		3.0
Average percent receiving Food Stamps (%)	91.2	92.2	-1.0		-1.1
Average quarterly Food Stamp payments ($)	634	636	-2		-0.3
Average quarterly income from earnings, AFDC/TFA, and Food Stamps ($)	2,534	2,261	273	***	12.1
Quarter 6					
Distribution of income (%)					
$0	6.0	5.2	0.9		16.4
$1-$1,500	12.6	12.5	0.2		1.3
$1,501-$2,400	34.7	37.7	-3.1		-8.1
$2,401-$3,000	16.3	24.5	-8.1	**	-33.2
More than $3,000	30.3	20.2	10.2	***	50.4
Quarter 8					
Ever employed (%)	41.7	25.3	16.4	***	64.7
Earnings ($)	787	539	248	**	46.0
Ever received AFDC/TFA (%)	64.0	75.0	-11.0	***	-14.6
AFDC/TFA benefits ($)	929	1,097	-168	***	-15.4
Ever received Food Stamps (%)	78.3	81.9	-3.6		-4.4
Food Stamp benefits ($)	534	563	-29		-5.2
Income from earnings, AFDC/TFA, and Food Stamps ($)	2,247	2,187	60		2.7
Distribution of income (%)					
$0	9.8	7.6	2.2		29.2
$1-$1,500	19.9	15.8	4.1		25.8
$1,501-$2,400	29.3	33.6	-4.3		-12.8
$2,401-$3,000	14.8	23.0	-8.2	**	-35.6
More than $3,000	26.2	20.0	6.2	*	31.1
Sample size	299	250			

SOURCES: MDRC calculations using Connecticut unemployment insurance (UI) earnings records, Connecticut AFDC/TFA records, and Food Stamp records.

(continued)

Table 4.10 (continued)

NOTES: The sample includes members randomly assigned between January 1996 and February 1997.

Dollar averages include zero values for sample members who were not employed or were not receiving AFDC/TFA or Food Stamps. Estimates were adjusted using ordinary least squares, controlling for pre-random assignment characteristics of sample members.

Quarter 1 refers to the calendar quarter following the quarter in which the case was randomly assigned. Thus, the period designated as "quarters 1-6" includes the 18-month period starting in quarter 1. The quarter of random assignment was omitted from the summary measures because sample members may have had some earnings, AFDC/TFA payments, or Food Stamp payments in that quarter, prior to their date of random assignment.

A two-tailed t-test was applied to differences between the research groups. Statistical significance levels are indicated as ***=1 percent, **=5 percent, and *=10 percent.

[a]"Most disadvantaged" individuals are those who did not have a high school diploma or GED certificate at random assignment, did not work for pay in the year prior to random assignment, and did receive AFDC in more than 21 months during the two years prior to random assignment.

in quarter 8. As a result, the program's impact on income from earnings and public assistance had also largely disappeared by quarter 8. Table 4.10 also shows perhaps the most important result of the table. In quarter 8, after the time limit had closed some welfare cases, the program might be increasing the number of individuals with very low income. More members of the Jobs First group than the AFDC group have no income, and more have income below $1,500 in the quarter. However, neither result is statistically significant because so few sample members fall into this most disadvantaged group. Likewise, more members of the Jobs First group than the AFDC group have income above $3,000 in the quarter. An important point bears mentioning again: Although Jobs First did not seem to produce lower income overall for the Jobs First group than for the AFDC group in quarter 8, it is possible that with further follow-up data the program would cause diminished income relative to AFDC.

C. Impacts by Site: New Haven and Manchester

As discussed in Chapters 1 and 2, New Haven and Manchester are quite different places, with different implementation of the Jobs First program. Fewer sample members in New Haven had ever worked and fewer had worked in the year prior to random assignment. A higher proportion of sample members in Manchester were applying for cash assistance when they were randomly assigned, whereas a higher proportion in New Haven were already recipients of cash assistance. Considering these differences, one might expect impacts of Jobs First on employment and earnings to be smaller in Manchester than in New Haven, reflecting the program's smaller impacts for applicants than for recipients.

At the same time, the implementation of Jobs First was quite different in New Haven than in Manchester. Although the program's impact on participation in job search was about the same in the two sites, New Haven also increased participation in education and training while Manchester reduced education and training. This reflects the emphasis on quick job entry in Manchester and the allowance of skill-building activities in New Haven. As a result of these differences, the program's impacts on employment and earnings should be initially larger in Manchester than in New Haven, though such differences might not last throughout the follow-up period.

Finally, since more than three-fourths of the sample came from New Haven, the impacts for New Haven should more closely resemble impacts for the sample overall.

Table 4.11 shows the impacts of the program in the two sites for two time periods: the pre-time limit period of quarters 1-6 combined and the initial post-time limit period of quarter 8. Reflecting the greater number of applicants in Manchester, use of cash assistance by the AFDC group was much lower in the pre-time limit period in Manchester than in New Haven — 61.4 percent in an average quarter compared with 71.4 percent. At the same time, employment rates for the AFDC group were somewhat higher in Manchester — 48.1 percent compared with 42.0 percent in New Haven.

As expected, the program produced larger employment gains initially in Manchester than in New Haven. In the first six quarters after random assignment, employment increased by 12.8 percentage points in an average quarter in Manchester, but only 6.1 percentage points in New Haven. The program's impact on earnings was more than three times as high in Manchester as in New Haven — $187 compared with $53. In part, this reflects the smaller employment gains in New Haven. In part, however, it might reflect the emphasis on quick job entry in Manchester and the allowance of skill-building activities in New Haven.

Although Manchester produced larger employment and earnings gains than New Haven, the program's impacts on public assistance were about the same in both sites. Both significantly increased use of cash assistance (8.8 percentage points in Manchester and 6.8 percentage points in New Haven), and both significantly increased cash assistance payments ($193 per quarter in Manchester and $176 in New Haven). Likewise, both significantly increased use of Food Stamps and Food Stamp amounts.

In both sites, income in the early part of the follow-up period was much higher for the Jobs First group than for the AFDC group. In Manchester, income increased by $444 per quarter, or nearly 20 percent. In New Haven, the increase was $206 per quarter, or about 8 percent.

Even though the program impacts and the sample composition were quite different in the two sites, about the same proportion of the Jobs First group had benefits discontinued by the time limit — 16.2 percent in Manchester and 15.1 percent in New Haven. Reflecting this similarity, the program's impacts on public assistance were similar in the two sites in quarter 8. In both sites, the program reduced use of cash assistance by about 5.5 percentage points, reduced cash assistance payments by about $50 per quarter, and had little effect on Food Stamp use and amounts.

Although Manchester initially had much larger employment and earnings gains than New Haven, the situation was much different in quarter 8. The program's impacts on employment were about the same in both sites. This may reflect AFDC group catch-up in Manchester, where members of the Jobs First group were encouraged to take a job quickly and where many members of the AFDC group were applicants who would normally find a job within two years of random assignment. Perhaps more surprising is the impact on earnings in the two sites. In Manchester, earnings impacts declined from $187 per quarter in quarters 1-6 to a statistically insignificant $89 in quarter 8. In New Haven, in contrast, the program's effects on earnings almost quintupled, from $53 per quarter in the initial follow-up period to $244 in quarter 8. The growing impacts in New Haven may reflect the skill-building activities allowed in that site. However, given that the Manchester impact on earnings declined very late in the follow-up period, it is not

Table 4.11

Connecticut's Jobs First Program

Impacts on Employment, Earnings, Welfare Use, and Income for Manchester and New Haven

Outcome	Jobs First Group	AFDC Group	Difference		Percentage Change
Manchester					
Quarters 1-6					
Average quarterly employment rate (%)	61.0	48.1	12.8	***	26.6
Average quarterly earnings ($)	1,381	1,195	187	**	15.6
Average percent receiving AFDC/TFA (%)	70.2	61.4	8.8	***	14.3
Average quarterly AFDC/TFA payments ($)	979	786	193	***	24.6
Average percent receiving Food Stamps (%)	66.2	62.5	3.7	*	6.0
Average quarterly Food Stamp payments ($)	412	348	64	***	18.5
Average quarterly income from earnings, AFDC/TFA, and Food Stamps ($)	2,772	2,328	444	***	19.1
Quarter 8					
Ever employed (%)	63.4	55.2	8.1	***	14.7
Earnings ($)	1,896	1,806	89		5.0
Ever received AFDC/TFA (%)	34.6	40.0	-5.4	**	-13.5
AFDC/TFA benefits ($)	459	521	-62		-12.0
Ever received Food Stamp benefits (%)	43.7	44.6	-0.9		-2.0
Food Stamp benefits ($)	264	263	1		0.4
Income from earnings, AFDC/TFA, and Food Stamps ($)	2,622	2,592	29		1.1
Sample size	591	584			
New Haven					
Quarters 1-6					
Average quarterly employment rate (%)	48.1	42.0	6.1	***	14.5
Average quarterly earnings ($)	1,062	1,009	53		5.2
Average percent receiving AFDC/TFA (%)	78.2	71.4	6.8	***	9.5
Average quarterly AFDC/TFA payments ($)	1,142	966	176	***	18.2
Average percent receiving Food Stamps (%)	80.1	77.7	2.5	**	3.2
Average quarterly Food Stamp payments ($)	514	470	45	***	9.6
Average quarterly income from earnings, AFDC/TFA, and Food Stamps ($)	2,718	2,444	274	***	11.2
Quarter 8					
Ever employed (%)	55.1	47.5	7.6	***	16.0
Earnings ($)	1,618	1,374	244	***	17.8
Ever received AFDC/TFA (%)	48.8	54.5	-5.7	***	-10.4
AFDC/TFA benefits ($)	689	736	-47	*	-6.4
Ever received Food Stamp benefits (%)	63.0	63.3	-0.4		-0.6
Food Stamp benefits ($)	405	399	6		1.6
Income from earnings, AFDC/TFA, and Food Stamps ($)	2,712	2,507	206	***	8.2
Sample size	1,805	1,823			

(continued)

Table 4.11 (continued)

SOURCES: MDRC calculations using Connecticut unemployment insurance (UI) earnings records, Connecticut AFDC/TFA records, and Food Stamp records.

NOTES: The sample includes members randomly assigned between January 1996 and February 1997.

Dollar averages include zero values for sample members who were not employed or were not receiving AFDC/TFA or Food Stamps. Estimates were adjusted using ordinary least squares, controlling for pre-random assignment characteristics of sample members.

Quarter 1 refers to the calendar quarter following the quarter in which the case was randomly assigned. Thus, the period designated as "quarters 1-6" includes the 18-month period starting in quarter 1. The quarter of random assignment was omitted from the summary measures because sample members may have had some earnings, AFDC/TFA payments, or Food Stamp payments in that quarter, prior to their date of random assignment.

A two-tailed t-test was applied to differences between the research groups. Statistical significance levels are indicated as ***=1 percent, **=5 percent, and *=10 percent.

possible at this time to determine whether or not this is indicative of a real trend. With longer follow-up, which will be available in the final report on the Jobs First evaluation, it will be clearer whether differences in impacts between New Haven and Manchester were ongoing or temporary.

VII. Discussion

Connecticut's Jobs First program is an interesting version of time-limited welfare. By combining the big carrot of a very generous financial incentive with the gently wielded stick of a time limit, it combines some of the positive aspects of the most successful programs designed to encourage welfare recipients to work.

Like welfare-to-work programs that use employment services to help welfare recipients find a job, Jobs First significantly increased employment and earnings in the period before any families reached the time limit. Unlike those programs, Jobs First also increased income, although this was not an explicit goal of the policy. In a typical program with employment services, earnings gained by people who find a job have been offset by reductions in their welfare benefits, and their income from earnings and public assistance has remained largely unchanged. Jobs First avoids this pitfall by including a generous earnings disregard that helped produce some of the largest impacts on income ever seen in a program designed to encourage welfare recipients to work.

The Jobs First financial incentive allows working TFA recipients to keep their entire welfare check if they earn less than the federal poverty threshold. Although this provided higher income to welfare recipients, it also resulted in substantially higher expenditures on public assistance. This is where the benefit of the time limit for the government budget can be seen. By eventually closing the cases of individuals who work and reach the program's time limit, the program limited how long it paid the expensive financial bonus for many working TFA recipients. At the same time, closing cases has helped the program begin to recoup some of the extra cash assistance payments that were used to encourage work.

A potential problem with time limits is that they could eliminate welfare for individuals who are not working and who may have difficulty finding other means of support. In Jobs First, however, average income under the time-limited policy was no less than average income under

AFDC during the period immediately after families began reaching the time limit. This may reflect the way the program's time limit has been implemented. Most individuals whose cases were closed by the time limit had been working and earning more than the payment standard when the time limit was reached. This has ensured that most of them had some means of support in the period immediately after their cases were closed.

Perhaps most remarkable are the effects of Jobs First on the most disadvantaged welfare recipients who may have difficulty finding and keeping a job. If time limits end welfare for these individuals, their families may end up in much greater hardship, having lost the benefits of public assistance but not having replaced assistance with earnings. Once again, Jobs First has largely avoided this pitfall so far by closing welfare cases primarily of individuals who are working when they reach the time limit. Moreover, like other recently tested programs with financial incentives, the program was especially successful at increasing employment and earnings for this group. As a result, the program has increased their self-sufficiency, ensured that the cost of the financial bonus for them would be time-limited, but also ensured that they would not be left without a safety net.

Although the effects for this most disadvantaged group have been quite encouraging, results for individuals who were applying for cash assistance at the time of random assignment suggest a possible way of improving the Jobs First policy if the goal is to encourage employment and reduce use of public assistance at lower cost to the government. Because applicants are very likely to work without the extra incentives and services of Jobs First, the program did not increase employment much for this group. By allowing them to continue receiving cash assistance, however, the enhanced earnings disregard of Jobs First increased their cash assistance payments by quite a bit. In other words, Connecticut paid considerably more in cash assistance, but achieved no significant gains in employment or earnings for this group. In contrast, the program did substantially increase employment and earnings for individuals already receiving cash assistance at the time of random assignment. Because many of these individuals would have continued receiving cash assistance under the AFDC policy, this increase in employment and earnings was accompanied by smaller increases in cash assistance payments. These results suggest that Jobs First might achieve its most positive results at much less expense if it were to offer its financial incentives only to individuals who have been receiving cash assistance for some time.

Although many of the Jobs First results are positive, there was a troubling finding as well. There is some evidence that in the period immediately after some families had reached the time limit, a small group of families may have less income under Jobs First than they would have had under AFDC. These families, who presumably lost their cash assistance because of the time limit may represent the few individuals whose cases were closed despite their not having a job or not earning more than the payment standard. Some may have lost their job after their case was closed and not yet reapplied for cash assistance, do not know they can reapply, or have reapplied and been denied.

It is too soon to know whether the mostly positive results or this one troubling finding are indicative of the future impacts of Jobs First. Many of the findings in this chapter are based on a two-and-a-half-year follow-up period for only half the individuals who were randomly assigned, a period that ends three calendar quarters after individuals began reaching the program's time limit. During those three quarters, the initially positive effect of the program on family income disappeared, and members of the Jobs First group had neither higher nor lower income on average than members of the AFDC group. Only with a longer follow-up period can the long-term effects of the program be known. If the findings at the end of the follow-up period examined in this chapter persist, then income will be as high under Jobs First after the time limit as under AFDC, and many families will still have benefited from higher income in the pre-time limit period. If, on the other hand, the trend over the last few quarters of follow-up continues, families who have reached the Jobs First time limit may find themselves with substantially less income than they would have had under AFDC, offsetting the gains in income from the period prior to the time limit. In either case, however, the program appears to have achieved its goal of replacing welfare with work for many people.

Appendix A

Descriptions of Related Connecticut Welfare Reform Studies

This appendix reviews three separate but related studies of Connecticut's welfare reform initiative, Jobs First. It appears in nearly identical form in reports issued by all three studies in early 2000.

The three related studies for Connecticut include:

- The overall evaluation of Jobs First, including assessments of adults and children at 18 and 36 months following random assignment to the new program or a control (AFDC) group. This effort is directed by the Manpower Demonstration Research Corporation (MDRC), as detailed in the present report.
- Tracking of preschool-aged children and their families, focusing on the parent's quality of family life, parenting practices, social and economic support of child rearing, and the quality of child care selected by mothers as they face welfare-to-work pressures. This study is part of the three-state Growing Up in Poverty (GUP) Project, conducted by researchers at Yale University and the University of California, Berkeley.
- Tracking older children and their families, focusing on how the mental health of mothers and other factors influence their employability and medium-term earnings. This study is being conducted by researchers at the Department of Epidemiology and Public Health at the Yale School of Medicine.

I. The Overall Jobs First Evaluation

The evaluation was originally required as a condition of the federal waivers that allowed Connecticut to implement Jobs First. In 1997, Connecticut received enhanced federal funding from the U.S. Department of Health and Human Services (DHHS) to support continuation of the evaluation. The state later received a second federal grant to expand the study to examine Jobs First's impact on the well-being of children.

The evaluation began in 1996 and is scheduled to end in late 2001. It focuses on two of the state's welfare offices, Manchester and New Haven.[1] It includes three major components:

- **Impact analysis.** This provides estimates of the changes generated by Jobs First in clients' employment rates and earnings, rates and amounts of welfare receipt, family income, the extent of welfare dependency, child well-being, and other outcomes, compared with the welfare system (AFDC) that preceded it.
- **Implementation analysis.** This component examines how Jobs First is operated by staff in the research sites. It assesses whether Jobs First's policies have translated into concrete changes in the day-to-day operations of the welfare

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[1] In a separate but related study, MDRC examined the post-welfare experiences of a group of families whose welfare cases were closed when they reached Jobs First's 21-month time limit on cash assistance receipt. Funded by the State of Connecticut, the Post-Time Limit Tracking Study focused on six areas: Bridgeport, Hartford, Manchester, New Haven, Norwich, and Waterbury.

system and identifies obstacles that have been encountered. This information is needed in order to understand Jobs First's impact, and it may help Connecticut's Department of Social Services (DSS) to identify ways to improve the program's performance.

- **Benefit-cost analysis.** This analysis uses data from the impact study, along with fiscal data, to compare the financial benefits and costs generated by Jobs First for both taxpayers and eligible families.

A. Research Design and Data Sources

The evaluation uses a random assignment research design to assess the program's impacts. During 1996 and early 1997, several thousand welfare applicants and recipients in Manchester and New Haven were assigned, at random, to one of two groups: the Jobs First group, whose members are subject to the welfare reform policies, and the Aid to Families with Dependent Children (AFDC) group, whose members are subject to the prior welfare rules. Because people were assigned to the groups through a random process, any differences that emerge between the two groups over time — for example, in employment rates or income — can be attributed to Jobs First. The evaluation will eventually follow members of the two groups for up to four years.

The evaluation uses a wide variety of data sources to assess Jobs First's implementation, effects, and costs. These include:

- **Baseline data.** Virtually all sample members completed (via a brief interview) a one-page form describing their demographic and socioeconomic characteristics at the time that they were randomly assigned.

- **Administrative records.** The State of Connecticut has provided MDRC with data on individuals' monthly cash assistance and Food Stamp payments and quarterly earnings in jobs covered by the state's unemployment insurance (UI) system.

- **Follow-up surveys.** MDRC has subcontracted with Roper Starch Worldwide (RSW) to conduct two surveys of the Jobs First and AFDC groups. The surveys capture information that cannot be obtained from the administrative records (for example, job characteristics, household income, and participation in work-related activities).

The Interim Client Survey, completed in 1999, was administered about 18 months after each respondent's date of random assignment. A total of 772 people were interviewed, including the preschool- and school-aged child and family samples co-financed by the Yale-Berkeley study teams. The second survey, administered about 36 months after each person's random assignment date, will include more than 2,000 respondents. It began in mid-1999 and is scheduled to be completed in mid-2000. The second survey includes a special module of questions focused on the well-being of respondents' children; these questions are asked of all respondents who have at least one child between the ages of 5 and 12 at the time of the interview (RSW also conducted two surveys as part of the Post-Time Limit Tracking Study).

B. Early Evaluation Reports

MDRC has produced several reports as part of the Jobs First Evaluation and the Post-Time Limit Tracking Study. The project's final report is scheduled for completion in late 2001. A companion report will examine the program's impact on the well-being of children.

II. Related Studies Conducted by the Yale-Berkeley Research Teams

The State of Connecticut and MDRC came together with Yale University researchers in 1997 to explore how Jobs First and collateral child care programs may affect the well-being of participating parents and children. They were joined by scholars from the University of California, Berkeley.

The second study, led by Yale's Sharon Lynn Kagan and Berkeley's Bruce Fuller, focuses on single mothers with preschool-aged children. The third study, led by Yale's Sarah Horwitz, assesses families with older children.

All three studies being released in early 2000, including the present one, use data from the Interim Client Survey. Figure A.1 illustrates how the samples for the overall survey were selected.

The uppermost box represents the full research sample for the Jobs First evaluation. It includes 4,803 single-parent cases randomly assigned to the Jobs First and AFDC groups between January 1996 and early 1997.[2] Individuals were randomly assigned when they came to the DSS office to apply for welfare or to have their eligibility for benefits reviewed.

As the figure shows, a subset of the full research sample was selected for the Interim Client Survey. That survey included three separate sections:

- **Core module.** All respondents answered a set of questions focusing on participation in employment-related activities since random assignment, characteristics of all jobs held since random assignment, household income in the month prior to the interview, and other issues. MDRC led the analysis of these questions.

- **Young child module.** This set of questions was administered to all respondents with a child between 18 and 36 months old at the time of the interview. It focused on child care and child well-being. The GUP Project funded this module and is leading its analysis.

- **Older child module.** This set of questions was administered to all respondents who had a child between 3 and 9 years old (but no child between 18 and 36 months old). Its content was similar to that of the young child module. The

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[2] A total of 6,115 people were randomly assigned. However, four categories of people have been excluded from the analysis: 677 cases that included no adult recipient at the point of random assignment, 387 two-parent cases, 240 cases that were randomly assigned in error, and 8 cases for which no Social Security number was available.

Connecticut legislature funded this module, and Professor Horwitz is leading its analysis.

Figure A.1 shows that, in order to maximize the number of respondents for the young child module, the sample that was selected for the Interim Client Survey first included all females in the full sample who were randomly assigned between September 1996 and January 1997 (the end of the sample intake period) and who had at least one child under 18 months old at the time of random assignment; these children would have been between 18 and 36 months old at the time of the interview (n=286). Second, the sample comprised a random subset of all other sample members assigned during the period (n=678).

In sum, the entire Connecticut sample included 964 people selected for the fielded survey sample. RSW located and interviewed 772 (80 percent) of these people. A total of 293 of the respondents completed the young child module and the three-state GUP analysis.[3] A total of 288 of the respondents completed the older child module for the Yale public health study. For greater comparability with California and Florida, the GUP analysis includes 18 cases in which the focal child was 36-42 months of age (total n=311). The remaining 191 respondents completed only the core module. MDRC's analysis focuses on all 772 respondents. However, since individuals with young children were oversampled, MDRC's analysis used a weighting process to ensure that such cases do not disproportionately affect the results.

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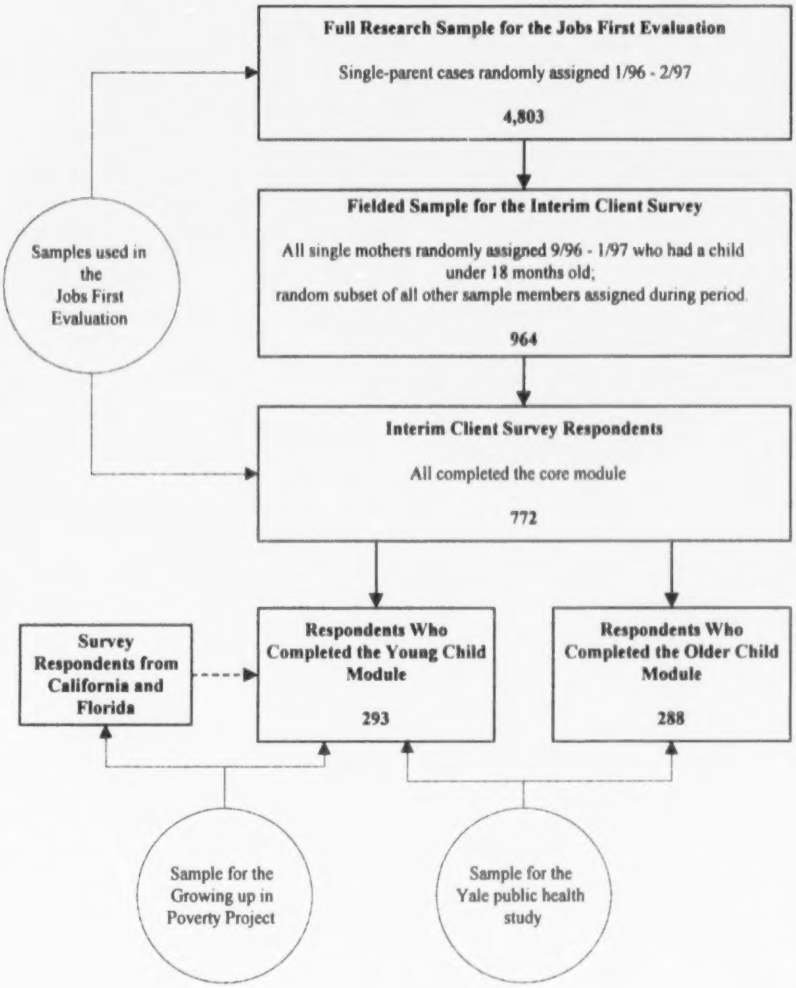
[3] This figure includes 234 people who were initially identified as having a child under 18 months old at the time of random assignment and 59 people who did not have a child under 18 months old at random assignment, but who nonetheless had a child between 18 and 36 months old when interviewed. The second group includes, for example, people who gave birth within 6 months after their random assignment date.

Figure A.1

Connecticut's Jobs First Program

Key Samples Used in Connecticut Welfare Reform Studies


Full Research Sample for the Jobs First Evaluation
Single-parent cases randomly assigned 1/96 - 2/97
4,803
Fielded Sample for the Interim Client Survey
All single mothers randomly assigned 9/96 - 1/97 who had a child under 18 months old;
random subset of all other sample members assigned during period.
964
Interim Client Survey Respondents
All completed the core module
772
Samples used in the Jobs First Evaluation
Survey Respondents from California and Florida
Respondents Who Completed the Young Child Module
293
Respondents Who Completed the Older Child Module
288
Sample for the Growing up in Poverty Project
Sample for the Yale public health study

Appendix B

Sample Issues

The goal of random assignment is to create two comparable groups for the purpose of unbiased causal inference. This appendix examines whether or not the goal has been met within the full sample as well as within two primary subsamples used throughout the report: the early cohort and the Interim Client Survey respondents. It also explores whether or not the survey sample is representative of the fielded and full samples and discusses the reliability of data sources used in the report.

As outlined in Chapter 1, the 4,803 welfare recipients randomly assigned to either the Jobs First group or the AFDC group comprise the *full sample*. Of these, the *early cohort* refers to those sample members for whom there are 30 months of follow-up because they were randomly assigned during the first six months of the sample intake period. The 964 sample members who were selected to be interviewed for the Interim Client Survey are referred to as the *fielded sample*. Those who actually completed the survey are the *respondents*, and those who were fielded but did not complete the survey are the *nonrespondents*.

I. Jobs First and AFDC Groups in the Full Sample

The unadjusted impact estimates may be biased if the Jobs First group was not comparable to the AFDC group at the time of random assignment. That is, the impacts may be due to baseline differences in the two groups and not to the Jobs First program itself. Table B.1 presents demographic, family, employment, education, public assistance, and housing characteristics of the Jobs First and AFDC groups at random assignment. The AFDC group was more likely to have earnings in the year prior to random assignment, to be employed at the time of random assignment, and to have a high school diploma. Jobs First group members had more children than AFDC group members and were more likely to be current welfare recipients and to have 5 to 10 years of prior welfare receipt.

The designation of sample members to research groups on the basis of chance is what determines comparability of characteristics across randomly assigned groups. Since the comparability of groups is probabilistic, it is possible that significant differences between the groups occurred owing to chance. However, since causal inference relies on the comparability of groups and because there were systematic differences between the two research groups at baseline, all impacts presented in this report were regression-adjusted to control for earnings, employment, and welfare receipt in the year prior to random assignment. Comparisons of the adjusted and unadjusted impacts (not shown) illustrate that adjustment made little difference in the results.

II. Early Cohort

This section investigates to what extent the early cohort is representative of the full sample by comparing the baseline characteristics of the early cohort with those of the later cohort (individuals randomly assigned after June 1996). Table B.2 presents demographic, family, employment, education, public assistance, and housing characteristics of the early and later cohorts.

Table B.1

Connecticut's Jobs First Program

Selected Characteristics of Sample Members at the Time of Random Assignment, by Research Group

Characteristic	Jobs First Group	AFDC Group
Demographic characteristics		
Age (%)		
Under 20	8.7	8.6
20-24	20.1	21.3
25-34	41.2	41.4
35 or over	30.1	28.7
Average age (years)	30.7	30.6
Race/ethnicity (%)		
White, non-Hispanic	38.3	36.9
Black, non-Hispanic	38.9	39.3
Hispanic	21.9	22.9
Other	0.9	0.9
Family status		
Marital status (%)		
Never married	65.4	66.1
Married, living with spouse	1.4	1.2
Married, living apart	14.5	13.2
Separated	5.8	5.2
Divorced	12.0	13.1
Widowed	0.9	1.3
Number of children (%)		
None[a]	8.6	11.1 ***
1	41.4	40.1
2	26.5	27.5
3	14.5	14.2
4 or more	9.0	7.2 **
Average number of children	1.8	1.7 ***
Youngest child's age (%)		
2 or under	37.3	37.4
3-5	23.1	24.1
6 or over	39.6	38.6
Employment status		
Ever worked (%)	87.9	88.6
Ever worked full time for 6 months or more for one employer (%)	57.6	57.2
Any earnings in past 12 months (%)	45.8	50.0 ***
Employed at random assignment (%)	21.6	24.0 *

(continued)

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Table B.1 (continued)

Characteristic	Jobs First Group	AFDC Group
Educational status		
Highest degree/diploma earned (%)		
GED[b]	12.1	10.6
High school diploma	46.2	49.8 **
Technical/2-year college degree	4.9	4.2
4-year (or more) college degree	1.7	2.0
None of the above	35.0	33.4
Highest grade completed in school (average)	11.2	11.3
Enrolled in education or training during the past 12 months (%)	20.9	21.1
Public assistance status		
Aid status (%)		
Applicant	36.9	40.0 **
Recipient	63.1	60.0 **
Total prior AFDC receipt[c] (%)		
None	18.0	19.0
Less than 2 years	23.1	23.6
2 years or more but less than 5 years	21.3	23.3
5 years or more but less than 10 years	21.5	19.3 *
10 years or more	16.2	14.8
Resided as a child in a household receiving AFDC (%)	24.8	25.8
Housing status		
Current housing status (%)		
Public housing	11.2	10.8
Subsidized housing	24.4	23.8
Emergency or temporary housing	1.3	1.2
None of the above	63.1	64.3
Sample size	2,318	2,324

SOURCE: MDRC calculations using Background Information Form data.

NOTES: A total of 161 sample members with missing Background Information Forms are not included in the table.

Invalid or missing values are not included in individual variable distributions.

Rounding may cause slight discrepancies in the calculation of sums and differences.

A two-tailed t-test was applied to differences between the research groups. Statistical significance levels are indicated as *** = 1 percent, ** = 5 percent, and * = 10 percent.

[a] This category includes sample members who were pregnant with their first child at the time of random assignment.

[b] The General Educational Development (GED) certificate is given to those who pass the GED test and is intended to signify knowledge of basic high school subjects.

[c] This refers to the total number of months accumulated from one spell or more on an individual's own or spouse's AFDC case. It does not include AFDC receipt under a parent's name.

Table B.2

Connecticut's Jobs First Program

Selected Characteristics of Sample Members at the Time of Random Assignment, by Intake Period

Characteristic	Early Cohort	Later Cohort
Demographic characteristics		
Age (%)		
Under 20	9.6	7.8 **
20-24	21.3	20.2
25-34	40.9	41.7
35 or over	28.2	30.4
Average age (years)	30.3	30.9 **
Race/ethnicity (%)		
White, non-Hispanic	35.9	38.9 **
Black, non-Hispanic	40.1	38.4
Hispanic	23.1	21.9
Other	1.0	0.9
Family status		
Marital status (%)		
Never married	65.6	65.9
Married, living with spouse	1.5	1.2
Married, living apart	14.4	13.3
Separated	5.6	5.5
Divorced	12.1	12.9
Widowed	0.9	1.3
Number of children (%)		
None[a]	9.7	10.0
1	42.4	39.4 **
2	25.4	28.2 **
3	13.7	14.8
4 or more	8.9	7.5 *
Average number of children	1.7	1.7
Youngest child's age (%)		
2 or under	39.3	35.8 **
3-5	22.2	24.7 *
6 or over	38.6	39.5
Employment status		
Ever worked (%)	87.1	89.2 **
Ever worked full time for 6 months or more for one employer (%)	57.0	57.8
Any earnings in past 12 months (%)	48.3	47.5
Employed at random assignment (%)	20.5	24.7 ***

(continued)

Table B.2 (continued)

Characteristic	Early Cohort	Later Cohort
Educational status		
Highest degree/diploma earned (%)		
GED[b]	11.7	11.1
High school diploma	47.3	48.6
Technical/2-year college degree	5.4	3.9 **
4-year (or more) college degree	2.0	1.8
None of the above	33.8	34.6
Highest grade completed in school (average)	11.2	11.3
Enrolled in education or training during the past 12 months (%)	24.4	18.2 ***
Public assistance status		
Aid status (%)		
Applicant	33.3	42.5 ***
Recipient	66.7	57.5 ***
Total prior AFDC receipt[c] (%)		
None	16.2	20.4 ***
Less than 2 years	29.8	18.2 ***
2 years or more but less than 5 years	20.7	23.6 **
5 years or more but less than 10 years	19.1	21.4 *
10 years or more	14.2	16.5 **
Resided as a child in a household receiving AFDC (%)	25.8	24.9
Housing status		
Current housing status (%)		
Public housing	10.7	11.2
Subsidized housing	23.1	24.9
Emergency or temporary housing	1.6	1.0 *
None of the above	64.7	62.9
Sample size	2,061	2,581

SOURCE: MDRC calculations using Background Information Form data.

NOTES: The early cohort includes sample members randomly assigned between January and June 1996. The later cohort includes those assigned between July 1996 and February 1997.

A total of 161sample members with missing Background Information Forms are not included in the table.

A two-tailed t-test was applied to differences between the research groups. Statistical significance levels are indicated as *** = 1 percent, ** = 5 percent, and * = 10 percent.

Invalid or missing values are not included in individual variable distributions.

Rounding may cause slight discrepancies in the calculation of sums and differences.

[a] This category includes sample members who were pregnant with their first child at the time of random assignment.

[b] The General Educational Development (GED) certificate is given to those who pass the GED test and is intended to signify knowledge of basic high school subjects.

[c] This refers to the total number of months accumulated from one spell or more on an individual's own or spouse's AFDC case. It does not include AFDC receipt under a parent's name.

The table shows that the early and later cohorts differ on a number of baseline characteristics. Since only half of those who applied for benefits between January and July 1996 went through the random assignment process, the early cohort contained more recipients than the later cohort and, therefore, it is not surprising that differences in baseline characteristics emerge. Tables C.2 and C.3 (in Appendix C) show that similar impacts emerge between the early cohort and the full sample for quarters 1-8 despite the baseline differences.

III. Interim Client Survey Sample

Much information presented in this report originated from the Interim Client Survey, including information regarding transmission of program messages, perceptions of the time limit, participation in activities, child care, effects of the time limit and other Jobs First features, monthly earnings, number of hours worked, hourly wages, job characteristics, and household characteristics. Eighty percent of the fielded sample members completed the survey. While this is a high response rate, two issues must be addressed in order to ensure the validity of survey responses. The first concerns differences between the Jobs First and AFDC survey respondents in baseline characteristics. The second deals with whether or not the survey respondents are representative of the fielded and full samples. These issues are discussed below.

A. Jobs First and AFDC Groups Within the Survey Sample

As noted above, the Jobs First sample must be comparable to the AFDC sample in order for the impact estimates to reflect the effects of the program and not differences between two groups at random assignment. Since there were baseline differences between Jobs First and AFDC groups within the full sample, one would also expect baseline differences among the survey respondent sample. Table B.3 presents the baseline characteristics of the Jobs First and AFDC survey respondents. As expected, there were baseline differences between the groups. Jobs First survey respondents were less likely to be widowed, to have earnings in the year prior to random assignment, and to have a college degree at random assignment. All survey impacts were regression-adjusted to control for these baseline differences.

B. Representativeness of Survey Respondents Within the Fielded and Full Samples

Another concern when survey response rates are not 100 percent is that the sample members who completed the survey are different from those who did not. If this is the case, the impact estimates for the survey respondents may apply only to the individuals who responded and may not be generalizable to the fielded and full samples. While a chi-square statistic indicated no association between interview status and research group among fielded sample members, it is possible that the characteristics of the respondents differ systematically from the nonrespondents. Table B.4 shows the probability of survey response associated with baseline characteristics. Respondents were more likely to be recipients, a generally more disadvantaged group than applicants, implying that the respondents may be more disadvantaged than the nonrespondents. Respondents were more likely to be living in public or subsidized housing, to have never married, to be African-American, to have ever worked, and to be working at random assignment. Respondents were less likely to be of Hispanic or "other" ethnicity and to be married and living apart from their spouse. To test how these differences may have affected the impacts, comparisons were made (not shown) between the adjusted impacts of survey and fielded sample members for

Table B.3

Connecticut's Jobs First Program

Selected Characteristics of Survey Respondents at the Time of Random Assignment, by Research Group

Characteristic	Jobs First Group	AFDC Group
Demographic characteristics		
Age (%)		
Under 20	11.3	8.3
20-24	17.4	20.9
25-34	41.5	39.6
35 or over	29.9	31.2
Average age (years)	30.4	30.6
Race/ethnicity (%)		
White, non-Hispanic	39.2	38.9
Black, non-Hispanic	41.1	41.2
Hispanic	18.6	19.6
Other	1.1	0.3
Family status		
Marital status (%)		
Never married	68.3	67.0
Married, living with spouse	1.2	1.2
Married, living apart	14.5	12.9
Separated	3.6	3.3
Divorced	12.2	13.8
Widowed	0.2	1.8 **
Number of children (%)		
None[a]	10.8	9.0
1	37.6	42.0
2	30.1	30.8
3	12.9	14.1
4 or more	8.6	4.1 **
Average number of children	1.7	1.6
Youngest child's age (%)		
2 or under	39.7	41.0
3-5	22.3	23.2
6 or over	38.0	35.8
Employment status		
Ever worked (%)	93.0	91.9
Ever worked full time for 6 months or more for one employer (%)	56.3	57.9
Any earnings in past 12 months (%)	44.1	51.4 *
Employed at random assignment (%)	23.5	28.1

(continued)

Table B.3 (continued)

Characteristic	Jobs First Group	AFDC Group
Educational status		
Highest degree/diploma earned (%)		
GED[b]	11.3	8.3
High school diploma	45.9	51.6
Technical/2-year college degree	4.7	3.3
4-year (or more) college degree	1.4	3.4 *
None of the above	36.7	33.5
Highest grade completed in school (average)	11.3	11.3
Enrolled in education or training during the past 12 months (%)	17.0	16.0
Public assistance status		
Aid status (%)		
Applicant	41.8	46.0
Recipient	58.2	54.0
Total prior AFDC receipt[c] (%)		
None	21.9	22.8
Less than 2 years	16.5	18.6
2 years or more but less than 5 years	22.4	25.5
5 years or more but less than 10 years	22.1	17.5
10 years or more	17.1	15.6
Resided as a child in a household receiving AFDC (%)	22.3	23.8
Housing status		
Current housing status (%)		
Public housing	11.5	12.2
Subsidized housing	23.8	25.1
Emergency or temporary housing	0.3	1.4
None of the above	64.4	61.3
Sample size	379	393

SOURCE: MDRC calculations using Background Information Form data.

NOTES: Invalid or missing values are not included in individual variable distributions.

Rounding may cause slight discrepancies in the calculation of sums and differences.

A two-tailed t-test was applied to differences between the research groups. Statistical significance levels are indicated as *** = 1 percent, ** = 5 percent, and * = 10 percent.

Measures in this table represent weighted averages. To compensate for differences in the proportion of subgroup members chosen to be surveyed, respondents were weighted by the inverse of the probability of being chosen to be interviewed.

[a] This category includes sample members who were pregnant with their first child at the time of random assignment.

[b] The General Educational Development (GED) certificate is given to those who pass the GED test and is intended to signify knowledge of basic high school subjects.

[c] This refers to the total number of months accumulated from one spell or more on an individual's own or spouse's AFDC case. It does not include AFDC receipt under a parent's name.

Table B.4

Connecticut's Jobs First Program

Selected Characteristics of Fielded Survey Sample Members at the Time of Random Assignment, by Interview Status

Characteristic	Nonrespondent	Respondent
Demographic characteristics		
Age (%)		
Under 20	8.9	9.8
20-24	20.3	19.2
25-34	40.6	40.5
35 or over	30.2	30.5
Average age (years)	30.7	30.5
Race/ethnicity (%)		
White, non-Hispanic	36.4	39.1
Black, non-Hispanic	32.5	41.1 **
Hispanic	26.6	19.1 **
Other	4.6	0.7 **
Family status		
Marital status (%)		
Never married	61.2	67.6 *
Married, living with spouse	2.3	1.2
Married, living apart	22.2	13.7 ***
Separated	3.4	3.4
Divorced	9.2	13.0
Widowed	1.7	1.0
Number of children (%)		
None[a]	11.7	9.9
1	41.1	39.8
2	28.5	30.5
3	13.1	13.5
4 or more	5.7	6.3
Average number of children	1.6	1.7
Youngest child's age (%)		
2 or under	42.8	40.4
3-5	22.1	22.8
6 or over	35.1	36.9
Employment status		
Ever worked (%)	85.9	92.5 ***
Ever worked full time for 6 months or more for one employer (%)	57.8	57.1
Any earnings in past 12 months (%)	52.8	47.6
Employed at random assignment (%)	17.5	25.9 **

(continued)

Table B.4 (continued)

Characteristic	Nonrespondent	Respondent
Educational status		
Highest degree/diploma earned (%)		
GED[b]	12.1	9.8
High school diploma	48.7	48.8
Technical/2-year college degree	3.1	4.0
4-year (or more) college degree	1.2	2.4
None of the above	34.9	35.1
Highest grade completed in school (average)	11.0	11.3 *
Enrolled in education or training during the past 12 months (%)	15.4	16.5
Public assistance status		
Aid status (%)		
Applicant	68.6	43.9 ***
Recipient	31.4	56.1 ***
Total prior AFDC receipt[c] (%)		
None	36.0	22.4 ***
Less than 2 years	21.2	17.6
2 years or more but less than 5 years	18.1	24.0 *
5 years or more but less than 10 years	18.2	19.8
10 years or more	6.6	16.4 ***
Resided as a child in a household receiving AFDC (%)	19.7	23.1
Housing status		
Current housing status (%)		
Public housing	3.8	11.9 ***
Subsidized housing	14.8	24.5 ***
Emergency or temporary housing	2.5	0.8 *
None of the above	78.8	62.8 ***
Sample size	192	772

SOURCE: MDRC calculations using Background Information Form data.

NOTES: Invalid or missing values are not included in individual variable distributions.

Distributions may not add to 100 percent because of rounding.

A two-tailed t-test was applied to differences between the research groups. Statistical significance levels are indicated as *** = 1 percent, ** = 5 percent, and * = 10 percent.

Measures in this table represent weighted averages. To compensate for differences in the proportion of subgroup members chosen to be surveyed, respondents were weighted by the inverse of the probability of being chosen to be interviewed.

[a] This category includes sample members who were pregnant with their first child at the time of random assignment.

[b] The General Educational Development (GED) certificate is given to those who pass the GED test and is intended to signify knowledge of basic high school subjects.

[c] This refers to the total number of months accumulated from one spell or more on an individual's own or spouse's AFDC case. It does not include AFDC receipt under a parent's name.

earnings, employment, AFDC, and Food Stamps in quarters 1-6, 7, and 8. While the levels of impacts differed between the two models, the only difference was in Food Stamp receipt for quarters 1-6.

The fielded sample was selected from the later cohort. As discussed above, the later cohort was expected to have different baseline characteristics than the early cohort, but these baseline differences had little effect on the impacts. In addition, women with children under 18 months old at random assignment were oversampled in order to ensure a sufficient response rate to the young child module. A weight variable was used in all analyses to re-establish the original proportions by giving less weight to sample members who were oversampled and more weight to those who were not oversampled. (See Appendix A for a discussion of the sampling process.)

IV. Data Sources

The comparative reliability of survey data and administrative records is discussed in Chapter 4, where it is hypothesized that the lack of an enhanced earnings disregard for the AFDC group decreased the reliability of the survey-based earnings and employment impacts because of potential underreporting by AFDC sample members. That is, AFDC group members might have had a disincentive to report employment and earnings to the interviewer because they might have feared their AFDC payments would decrease if they did so. Jobs First members do not have such disincentive because they are allowed to keep all of their earnings while receiving TFA. This section tests this hypothesis in two stages. First, in order to determine whether the earnings disregard actually had an effect on sample members, survey respondents were stratified by welfare receipt in the month prior to the interview. Within each stratum, employment and earnings were compared for the Jobs First and AFDC groups. Table B.5 presents these findings. For both types of data, statistically significant differences between the research groups existed only among the respondents who were receiving welfare in the month prior to the interview. This means that the AFDC group respondents who were not receiving welfare worked as much and earned the same amount as the Jobs First group. On the other hand, the AFDC group respondents who were receiving welfare worked and earned significantly less than the Jobs First group. This pattern matches what would be expected under the respective earned income disregard guidelines of the AFDC and Jobs First programs.

Second, in order to determine whether the differences between the strata are due to underreporting among AFDC members receiving welfare, the difference between UI and survey employment and earnings data were compared between research groups within each stratum. Table B.5 also presents these results. There were no statistically significant differences across strata between the data sources in terms of earnings. The difference between sources in employment, however, was statistically significant for those who received welfare in the month prior to the interview. Therefore, underreporting appears to occur for employment but not for earnings data.

Table B.5

Connecticut's Jobs First Program

Impacts on Earnings and Employment for Survey Sample Members, by Welfare Receipt

	Survey Sample			Survey Members Receiving AFDC in Month Prior to Interview			Survey Members Not Receiving AFDC in Month Prior to Interview		
	Jobs First Group	AFDC Group	Difference	Jobs First Group	AFDC Group	Difference	Jobs First Group	AFDC Group	Difference
Earnings ($)									
Average monthly UI earnings[a] in quarter 6	504	412	92 **	325	132	192 ***	868	779	89
Average earnings reported on survey for the month prior to interview	579	477	101 **	421	182	239 ***	889	903	-13
Average difference between UI and survey earnings	-78	-86	8	-95	-50	-46	-32	-155	124
Employment (%)									
UI employment in quarter 6	56.5	47.9	8.6 **	51.2	34.5	16.7 ***	66.6	67.6	-1.1
Reported employment on survey at the time of interview	56.4	41.4	15.0 ***	52.3	21.8	30.4 ***	64.1	68.8	-4.7
Difference between UI and survey employment	0.1	6.5	-6.4 *	-1.1	12.7	-13.7 ***	2.5	-1.2	3.7
Sample size	379	393		249	209		119	171	

SOURCES: MDRC calculations using Connecticut unemployment insurance (UI) earnings records and Interim Client Survey data.

NOTES: Estimates were adjusted using ordinary least squares, controlling for pre-random assignment characteristics of sample members.

Dollar averages include zero values for sample members who were not employed.

Quarter 1 refers to the calendar quarter following the quarter in which the case was randomly assigned. Thus, quarter 6 was the 3-month period beginning 18 months after quarter 1.

A two-tailed t-test was applied to differences between the outcomes for the program and control groups. Statistical significance levels are indicated as *** = 1 percent, ** = 5 percent, and * = 10 percent.

Rounding may cause slight discrepancies in the calculation of sums and differences.

Measures in this table represent weighted averages. To compensate for differences in the proportion of subgroup members chosen to be surveyed, respondents were weighted by the inverse of the probability of being chosen to be interviewed.

[a] Monthly quarter 6 earnings were calculated by dividing quarter 6 earnings by 3.

Appendix C

Additional Impact Tables

Table C.1

Connecticut's Jobs First Program

Impacts on Employment, Earnings, Welfare Use, and Income for the Full Sample

Outcome	Jobs First Group	AFDC Group	Difference		Percentage Change
Quarters 1-6					
Average quarterly employment rate (%)	51.2	43.6	7.7	***	17.7
Average quarterly earnings ($)	1,138	1,057	81	**	7.7
Average percent receiving AFDC/TFA (%)	76.2	69.0	7.1	***	10.3
Average quarterly AFDC/TFA payments ($)	1,102	922	180	***	19.5
Average percent receiving Food Stamps (%)	76.6	74.0	2.6	***	3.5
Average quarterly Food Stamp payments ($)	489	440	49	***	11.2
Average quarterly income from earnings, AFDC/TFA, and Food Stamps ($)	2,729	2,419	310	***	12.8
Quarter 7					
Ever employed (%)	57.0	48.5	8.5	***	17.4
Earnings ($)	1,566	1,422	143	**	10.1
Ever received AFDC/TFA (%)	60.7	53.9	6.7	***	12.5
AFDC/TFA benefits ($)	813	723	90	***	12.4
Ever received Food Stamp benefits (%)	64.8	61.6	3.1	**	5.0
Food Stamp benefits ($)	407	379	27	***	7.2
Income from earnings, AFDC/TFA, and Food Stamps ($)	2,785	2,525	260	***	10.3
Quarter 8					
Ever employed (%)	57.1	49.4	7.7	***	15.5
Earnings ($)	1,686	1,479	207	***	14.0
Ever received AFDC/TFA (%)	45.3	51.0	-5.7	***	-11.2
AFDC/TFA benefits ($)	632	684	-52	**	-7.6
Ever received Food Stamp benefits (%)	58.2	58.8	-0.6		-1.0
Food Stamp benefits ($)	370	366	4		1.2
Income from earnings, AFDC/TFA, and Food Stamps ($)	2,690	2,528	162	***	6.4
Sample size	2,396	2,407			

SOURCES: MDRC calculations using Connecticut unemployment insurance (UI) earnings records, Connecticut AFDC/TFA records, and Food Stamp records.

NOTES: The sample includes members randomly assigned between January 1996 and February 1997.

Dollar averages include zero values for sample members who were not employed or were not receiving AFDC/TFA or Food Stamps. Estimates were adjusted using ordinary least squares, controlling for pre-random assignment characteristics of sample members.

Quarter 1 refers to the calendar quarter following the quarter in which the case was randomly assigned. Thus, the period designated as "quarters 1-6" includes the 18-month period starting in quarter 1. The quarter of random assignment was omitted from the summary measures because sample members may have had some earnings, AFDC/TFA payments, or Food Stamp payments in that quarter, prior to their date of random assignment.

A two-tailed t-test was applied to differences between the research groups. Statistical significance levels are indicated as ***=1 percent, **=5 percent, and *=10 percent.

Table C.2

Connecticut's Jobs First Program

Impacts on Employment, Earnings, Welfare Use, and Income for the Full Sample, by Quarter

Outcome	Jobs First Group	AFDC Group	Difference	Standard Error
Ever employed (%)				
Quarters 1-4	66.7	57.7	9.0 ***	1.3
Quarters 5-8	70.7	62.5	8.1 ***	1.3
Quarters 1-8	78.2	70.7	7.6 ***	1.2
Quarter of random assignment	40.3	38.6	1.7	1.1
Quarter 1	44.4	39.3	5.2 ***	1.3
Quarter 2	48.8	41.8	6.9 ***	1.3
Quarter 3	52.0	43.3	8.6 ***	1.3
Quarter 4	52.6	44.6	8.1 ***	1.3
Quarter 5	54.5	45.9	8.6 ***	1.3
Quarter 6	55.2	46.4	8.8 ***	1.4
Quarter 7	57.0	48.5	8.5 ***	1.4
Quarter 8	57.1	49.4	7.7 ***	1.4
Average total earnings ($)				
Quarters 1-4	4,027	3,832	195	142
Quarters 5-8	6,040	5,402	638 ***	197
Quarters 1-8	10,067	9,234	833 ***	311
Quarter of random assignment	610	607	3	25
Quarter 1	752	754	-2	34
Quarter 2	962	927	36	42
Quarter 3	1,102	1,040	63	43
Quarter 4	1,210	1,112	99 **	47
Quarter 5	1,365	1,201	163 ***	50
Quarter 6	1,436	1,307	129 **	55
Quarter 7	1,566	1,422	143 **	56
Quarter 8	1,686	1,479	207 ***	60
Ever received any AFDC/TFA payments (%)				
Quarters 1-4	91.7	88.1	3.6 ***	0.8
Quarters 5-8	70.9	64.8	6.1 ***	1.3
Quarters 1-8	92.5	89.0	3.4 ***	0.8
Quarter of random assignment	85.3	82.6	2.7 ***	0.9
Quarter 1	90.0	84.7	5.3 ***	0.9
Quarter 2	83.4	76.3	7.1 ***	1.1
Quarter 3	78.0	69.6	8.5 ***	1.2
Quarter 4	73.1	65.1	8.0 ***	1.3
Quarter 5	67.8	60.9	7.0 ***	1.3
Quarter 6	64.6	57.6	7.0 ***	1.3
Quarter 7	60.7	53.9	6.7 ***	1.4
Quarter 8	45.3	51.0	-5.7 ***	1.4

(continued)

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Table C.2 (continued)

Outcome	Jobs First Group	AFDC Group	Difference	Standard Error
Average total AFDC/TFA payments received ($)				
Quarters 1-4	4,674	3,922	752 ***	65
Quarters 5-8	3,382	3,019	363 ***	74
Quarters 1-8	8,056	6,941	1,115 ***	127
Quarter of random assignment	1,060	987	74 ***	12
Quarter 1	1,287	1,107	179 ***	17
Quarter 2	1,204	1,010	193 ***	18
Quarter 3	1,129	930	199 ***	19
Quarter 4	1,054	873	181 ***	20
Quarter 5	992	830	162 ***	21
Quarter 6	945	781	164 ***	21
Quarter 7	813	723	90 ***	20
Quarter 8	632	684	-52 **	21
Ever received any Food Stamps payments (%)				
Quarters 1-4	90.3	89.3	1.0	0.8
Quarters 5-8	74.2	72.3	1.9	1.2
Quarters 1-8	91.8	90.5	1.3 *	0.8
Quarter of random assignment	87.8	87.0	0.8	0.9
Quarter 1	87.4	85.6	1.9 *	1.0
Quarter 2	82.6	80.0	2.6 **	1.1
Quarter 3	78.3	74.6	3.7 ***	1.2
Quarter 4	74.5	71.0	3.5 ***	1.2
Quarter 5	69.8	67.9	1.9	1.3
Quarter 6	67.3	65.1	2.2 *	1.3
Quarter 7	64.8	61.6	3.1 **	1.3
Quarter 8	58.2	58.8	-0.6	1.4
Average total value of Food Stamps received ($)				
Quarters 1-4	2,041	1,832	209 ***	32
Quarters 5-8	1,671	1,552	118 ***	37
Quarters 1-8	3,712	3,385	328 ***	63
Quarter of random assignment	484	462	22 ***	7
Quarter 1	547	494	52 ***	8
Quarter 2	522	470	52 ***	9
Quarter 3	498	443	55 ***	9
Quarter 4	475	425	50 ***	9
Quarter 5	453	414	39 ***	10
Quarter 6	441	393	48 ***	10
Quarter 7	407	379	27 ***	10
Quarter 8	370	366	4	10

(continued)

Table C.2 (continued)

Outcome	Jobs First Group	AFDC Group	Difference	Standard Error
Total income from earnings, AFDC/TFA, and Food Stamps ($)				
Quarters 1-4	10,742	9,586	1,156 ***	144
Quarters 5-8	11,089	9,965	1,124 ***	192
Quarters 1-8	21,831	19,551	2,280 ***	307
Quarter of random assignment	2,155	2,056	99 ***	27
Quarter 1	2,585	2,356	230 ***	35
Quarter 2	2,688	2,407	281 ***	43
Quarter 3	2,729	2,412	317 ***	43
Quarter 4	2,739	2,410	329 ***	47
Quarter 5	2,810	2,445	364 ***	50
Quarter 6	2,822	2,482	341 ***	56
Quarter 7	2,785	2,525	260 ***	55
Quarter 8	2,690	2,528	162 ***	58
Sample size	2,396	2,407		

SOURCES: MDRC calculations using Connecticut unemployment insurance (UI) earnings records, Connecticut AFDC/TFA records, and Food Stamp records.

NOTES: The sample includes members randomly assigned between January 1996 and February 1997.

Dollar averages include zero values for sample members who were not employed or were not receiving AFDC/TFA or Food Stamps. Estimates were adjusted using ordinary least squares, controlling for pre-random assignment characteristics of sample members.

The follow-up period begins with the first calendar quarter following the quarter in which the case was randomly assigned. The quarter of random assignment is omitted from the follow-up period because sample members may have had some earnings, AFDC/TFA payments, or Food Stamp payments in that quarter, prior to their date of random assignment.

A two-tailed t-test was applied to differences between the research groups. Statistical significance levels are indicated as ***=1 percent, **=5 percent, and *=10 percent.

Table C.3

Connecticut's Jobs First Program

Impacts on Employment, Earnings, Welfare Use, and Income for the Early Cohort, by Quarter

Outcome	Jobs First Group	AFDC Group	Difference	Standard Error
Ever employed (%)				
Quarters 1-4	65.2	56.0	9.2 ***	1.9
Quarters 5-8	70.5	61.7	8.8 ***	1.9
Quarters 1-8	78.3	69.0	9.4 ***	1.8
Quarters 1-10	81.5	73.8	7.7 ***	1.7
Quarter of random assignment	37.8	35.7	2.0	1.6
Quarter 1	42.6	37.3	5.3 ***	1.9
Quarter 2	47.2	41.7	5.5 ***	2.0
Quarter 3	49.6	42.2	7.4 ***	2.0
Quarter 4	49.3	42.3	7.0 ***	2.0
Quarter 5	53.1	45.2	7.9 ***	2.0
Quarter 6	56.0	45.7	10.3 ***	2.0
Quarter 7	57.4	47.6	9.8 ***	2.0
Quarter 8	56.9	48.5	8.4 ***	2.0
Quarter 9	59.0	49.9	9.2 ***	2.0
Quarter 10	58.1	51.2	6.9 ***	2.1
Average total earnings ($)				
Quarters 1-4	3,743	3,633	110	211
Quarters 5-8	5,974	5,209	765 ***	291
Quarters 1-8	9,717	8,842	875 *	462
Quarters 1-10	13,244	11,951	1,293 **	597
Quarter of random assignment	563	493	70 **	35
Quarter 1	678	674	4	50
Quarter 2	932	879	53	60
Quarter 3	1,010	1,025	-15	65
Quarter 4	1,123	1,055	68	69
Quarter 5	1,328	1,166	162 **	77
Quarter 6	1,487	1,287	200 **	81
Quarter 7	1,541	1,356	185 **	81
Quarter 8	1,618	1,400	218 **	85
Quarter 9	1,713	1,478	235 ***	87
Quarter 10	1,815	1,631	183 *	96

(continued)

Table C.3 (continued)

Outcome	Jobs First Group	AFDC Group	Difference	Standard Error
Ever received any AFDC/TFA payments (%)				
Quarters 1-4	92.8	89.5	3.3 ***	1.2
Quarters 5-8	71.4	67.1	4.3 **	1.9
Quarters 1-8	93.9	91.0	2.9 ***	1.1
Quarters 1-10	94.2	91.4	2.8 **	1.1
Quarter of random assignment	87.8	86.5	1.4	1.3
Quarter 1	91.4	86.7	4.7 ***	1.3
Quarter 2	84.2	78.3	5.9 ***	1.6
Quarter 3	78.7	70.7	8.0 ***	1.8
Quarter 4	73.5	66.3	7.3 ***	1.9
Quarter 5	68.5	63.3	5.2 ***	2.0
Quarter 6	64.6	59.9	4.7 **	2.0
Quarter 7	59.6	55.1	4.5 **	2.1
Quarter 8	45.9	51.2	-5.3 **	2.1
Quarter 9	43.1	47.7	-4.6 **	2.1
Quarter 10	36.8	45.6	-8.8 ***	2.1
Average total AFDC/TFA payments received ($)				
Quarters 1-4	4,733	4,051	681 ***	98
Quarters 5-8	3,419	3,090	329 ***	114
Quarters 1-8	8,151	7,141	1,010 ***	194
Quarters 1-10	9,256	8,416	840 ***	236
Quarter of random assignment	1,112	1,076	35 *	19
Quarter 1	1,311	1,148	163 ***	24
Quarter 2	1,215	1,051	164 ***	28
Quarter 3	1,140	954	186 ***	30
Quarter 4	1,066	898	168 ***	30
Quarter 5	1,002	856	146 ***	31
Quarter 6	948	805	144 ***	32
Quarter 7	820	736	84 ***	31
Quarter 8	648	693	-45	32
Quarter 9	599	658	-59 *	32
Quarter 10	505	616	-111 ***	30

(continued)

Table C.3 (continued)

Outcome	Jobs First Group	AFDC Group	Difference	Standard Error
Ever received any Food Stamps payments (%)				
Quarters 1-4	91.5	90.6	1.0	1.2
Quarters 5-8	75.2	74.6	0.6	1.8
Quarters 1-8	93.0	91.7	1.3	1.1
Quarters 1-10	93.6	92.3	1.3	1.1
Quarter of random assignment	90.1	89.0	1.2	1.3
Quarter 1	88.9	87.4	1.5	1.4
Quarter 2	83.7	81.4	2.3	1.6
Quarter 3	79.2	76.4	2.8	1.7
Quarter 4	74.5	72.7	1.8	1.8
Quarter 5	70.2	70.0	0.2	1.9
Quarter 6	66.5	67.4	-1.0	2.0
Quarter 7	63.1	62.9	0.3	2.0
Quarter 8	58.8	60.0	-1.2	2.1
Quarter 9	56.6	58.2	-1.6	2.1
Quarter 10	53.9	56.1	-2.2	2.1
Average total value of Food Stamps received ($)				
Quarters 1-4	2,073	1,881	192 ***	48
Quarters 5-8	1,658	1,597	61	56
Quarters 1-8	3,732	3,478	253 ***	96
Quarters 1-10	4,433	4,188	246 **	119
Quarter of random assignment	501	486	15	11
Quarter 1	561	506	54 ***	12
Quarter 2	532	483	49 ***	13
Quarter 3	507	456	51 ***	14
Quarter 4	474	437	37 ***	14
Quarter 5	449	423	25 *	15
Quarter 6	432	408	24	15
Quarter 7	408	389	19	16
Quarter 8	370	377	-7	16
Quarter 9	355	358	-3	16
Quarter 10	347	352	-5	16

(continued)

Table C.3 (continued)

Outcome	Jobs First Group	AFDC Group	Difference	Standard Error
Total income from earnings, AFDC/TFA, and Food Stamps ($)				
Quarters 1-4	10,548	9,566	983 ***	213
Quarters 5-8	11,051	9,896	1,155 ***	283
Quarters 1-8	21,600	19,462	2,138 ***	455
Quarters 1-10	26,933	24,555	2,378 ***	583
Quarter of random assignment	2,176	2,056	120 ***	39
Quarter 1	2,550	2,329	221 ***	52
Quarter 2	2,679	2,412	266 ***	61
Quarter 3	2,657	2,434	223 ***	66
Quarter 4	2,663	2,390	273 ***	69
Quarter 5	2,779	2,446	333 ***	76
Quarter 6	2,868	2,500	368 ***	81
Quarter 7	2,769	2,481	288 ***	79
Quarter 8	2,636	2,470	166 **	82
Quarter 9	2,667	2,494	173 **	85
Quarter 10	2,667	2,599	68	94
Sample size	1,059	1,081		

SOURCES: MDRC calculations using Connecticut unemployment insurance (UI) earnings records, Connecticut AFDC/TFA records, and Food Stamp records.

NOTES: The sample includes members randomly assigned between January and June 1996.

Dollar averages include zero values for sample members who were not employed or were not receiving AFDC/TFA or Food Stamps. Estimates were adjusted using ordinary least squares, controlling for pre-random assignment characteristics of sample members.

The follow-up period begins with the first calendar quarter following the quarter in which the case was randomly assigned. The quarter of random assignment is omitted from the follow-up period because sample members may have had some earnings, AFDC/TFA payments, or Food Stamp payments in that quarter, prior to their date of random assignment.

A two-tailed t-test was applied to differences between the research groups. Statistical significance levels are indicated as ***=1 percent, **=5 percent, and *=10 percent.

Table C.4

Connecticut's Jobs First Program

Impacts on Employment, Earnings, Welfare Use, and Income for Survey Respondents

Outcome	Jobs First Group	AFDC Group	Difference
Quarters 1-6			
Average quarterly employment rate (%)	52.8	44.4	8.3 ***
Average quarterly earnings ($)	1,155	1,053	101
Average percent receiving AFDC/TFA (%)	80.7	71.8	8.9 ***
Average quarterly AFDC/TFA payments ($)	1,157	967	190 ***
Average percent receiving Food Stamps (%)	79.0	76.3	2.7
Average quarterly Food Stamp payments ($)	506	456	49 **
Average quarterly income from earnings, AFDC/TFA, and Food Stamps ($)	2,817	2,477	341 ***
Quarter 7			
Ever employed (%)	60.1	51.8	8.2 **
Earnings ($)	1,624	1,423	201
Ever received AFDC/TFA (%)	69.8	59.0	10.8 ***
AFDC/TFA benefits ($)	901	830	71
Ever received Food Stamp benefits (%)	73.7	66.8	6.9 **
Food Stamp benefits ($)	440	421	19
Income from earnings, AFDC/TFA, and Food Stamps ($)	2,965	2,674	291 **
Quarter 8			
Ever employed (%)	58.0	53.1	5.0
Earnings ($)	1,983	1,532	452 ***
Ever received AFDC/TFA (%)	49.4	57.4	-8.0 **
AFDC/TFA benefits ($)	680	776	-95 *
Ever received Food Stamp benefits (%)	63.1	64.0	-0.9
Food Stamp benefits ($)	407	403	4
Income from earnings, AFDC/TFA, and Food Stamps ($)	3,070	2,709	360 **
Sample size	379	393	

SOURCES: MDRC calculations using Connecticut unemployment insurance (UI) earnings records, Connecticut AFDC/TFA records, and Food Stamp records.

NOTES: The sample includes survey respondents randomly assigned between January 1996 and February 1997.

Dollar averages include zero values for sample members who were not employed or were not receiving AFDC/TFA or Food Stamps. Estimates were adjusted using ordinary least squares, controlling for pre-random assignment characteristics of sample members.

Rounding may cause slight discrepancies in the calculation of sums and differences.

Quarter 1 refers to the calendar quarter following the quarter in which the case was randomly assigned. Thus, the period designated as "quarters 1-6" includes the 18-month period starting in quarter 1. The quarter of random assignment was omitted from the summary measures because sample members may have had some earnings, AFDC/TFA payments, or Food Stamp payments in that quarter, prior to their date of random assignment.

Measures in this table represent weighted averages. To compensate for differences in the proportion of subgroup members chosen to be surveyed, respondents were weighted by the inverse of the probability of being chosen to be interviewed.

A two-tailed t-test was applied to differences between the research groups. Statistical significance levels are indicated as ***=1 percent, **=5 percent, and *=10 percent.

Table C.5

Connecticut's Jobs First Program

Impacts on Employment, Earnings, Welfare Use, and Income, by Age of Youngest Child at Random Assignment

Outcome	Jobs First Group	AFDC Group	Difference
Youngest child under age 6			
Quarters 1-6			
Average quarterly employment rate (%)	51.4	44.1	7.2 ***
Average quarterly earnings ($)	1,112	1,030	82 *
Average percent receiving AFDC/TFA (%)	78.4	71.0	7.4 ***
Average quarterly AFDC/TFA payments ($)	1,191	991	200 ***
Average percent receiving Food Stamps (%)	77.6	74.7	2.9 **
Average quarterly Food Stamp payments ($)	511	468	42 ***
Average quarterly income from earnings, AFDC/TFA, and Food Stamps ($)	2,814	2,490	324 ***
Quarter 8			
Ever employed (%)	58.3	49.2	9.1 ***
Earnings ($)	1,687	1,454	233 ***
Ever received AFDC/TFA (%)	48.2	54.1	-5.9 ***
AFDC/TFA benefits ($)	710	761	-51 *
Ever received Food Stamp benefits (%)	59.2	59.6	-0.4
Food Stamp benefits ($)	398	395	3
Income from earnings, AFDC/TFA, and Food Stamps ($)	2,793	2,608	185 **
Sample size	1,281	1,269	
Youngest child aged 6-11			
Quarters 1-6			
Average quarterly employment rate (%)	56.5	46.6	10.0 ***
Average quarterly earnings ($)	1,276	1,193	83
Average percent receiving AFDC/TFA (%)	79.5	69.0	10.4 ***
Average quarterly AFDC/TFA payments ($)	1,145	900	244 ***
Average percent receiving Food Stamps (%)	81.1	74.1	7.0 ***
Average quarterly Food Stamp payments ($)	540	457	84 ***
Average quarterly income from earnings, AFDC/TFA, and Food Stamps ($)	2,961	2,550	411 ***
Quarter 8			
Ever employed (%)	58.7	51.6	7.1 **
Earnings ($)	1,734	1,566	168
Ever received AFDC/TFA (%)	46.2	51.1	-4.9
AFDC/TFA benefits ($)	638	667	-29
Ever received Food Stamp benefits (%)	62.7	59.3	3.4
Food Stamp benefits ($)	401	369	32
Income from earnings, AFDC/TFA, and Food Stamps ($)	2,773	2,605	169
Sample size	554	509	

(continued)

Table C.5 (continued)

Outcome	Jobs First Group	AFDC Group	Difference	
Youngest child aged 12 or over				
Quarters 1-6				
Average quarterly employment rate (%)	45.5	38.0	7.6	**
Average quarterly earnings ($)	1,116	992	123	
Average percent receiving AFDC/TFA (%)	66.4	60.7	5.8	*
Average quarterly AFDC/TFA payments ($)	833	735	98	**
Average percent receiving Food Stamps (%)	73.4	75.4	-2.0	
Average quarterly Food Stamp payments ($)	419	395	24	
Average quarterly income from earnings, AFDC/TFA, and Food Stamps ($)	2,368	2,122	246	**
Quarter 8				
Ever employed (%)	48.6	43.0	5.5	
Earnings ($)	1,638	1,388	250	
Ever received AFDC/TFA (%)	29.5	38.3	-8.8	**
AFDC/TFA benefits ($)	346	455	-109	**
Ever received Food Stamp benefits (%)	49.7	57.3	-7.6	*
Food Stamp benefits ($)	263	304	-41	
Income from earnings, AFDC/TFA, and Food Stamps ($)	2,245	2,145	99	
Sample size	284	288		

SOURCES: MDRC calculations using Connecticut unemployment insurance (UI) earnings records, Connecticut AFDC/TFA records, and Food Stamp records.

NOTES: The sample includes members randomly assigned from January 1996 through February 1997. A total of 618 sample members whose Background Information Forms were missing or who did not provide information for any minor children are not included in the table.

Dollar averages include zero values for sample members who were not employed or were not receiving AFDC/TFA or Food Stamps. Estimates were adjusted using ordinary least squares, controlling for pre-random assignment characteristics of sample members.

Quarter 1 refers to the calendar quarter following the quarter in which the case was randomly assigned. Thus, the period designated as "quarters 1-6" includes the 18-month period starting in quarter 1. The quarter of random assignment was omitted from the summary measures because sample members may have had some earnings, AFDC/TFA payments, or Food Stamp payments in that quarter, prior to their date of random assignment.

A two-tailed t-test was applied to differences between the research groups. Statistical significance levels are indicated as ***=1 percent, **=5 percent, and *=10 percent.

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Table C.6

Connecticut's Jobs First Program

Impacts on Employment, Earnings, Welfare Use, and Income, by Receipt of AFDC Prior to Random Assignment

Outcome	Jobs First Group	AFDC Group	Difference
Long-term recipients			
Quarters 1-6			
Average quarterly employment rate (%)	49.8	37.7	12.1 ***
Average quarterly earnings ($)	970	781	190 ***
Average percent receiving AFDC/TFA (%)	87.3	82.3	5.0 ***
Average quarterly AFDC/TFA payments ($)	1,313	1,157	156 ***
Average percent receiving Food Stamps (%)	86.9	87.3	-0.3
Average quarterly Food Stamp payments ($)	594	563	31 ***
Average quarterly income from earnings, AFDC/TFA, and Food Stamps ($)	2,878	2,501	377 ***
Quarter 8			
Ever employed (%)	55.7	44.4	11.3 ***
Earnings ($)	1,399	1,157	243 ***
Ever received AFDC/TFA (%)	54.6	66.1	-11.5 ***
AFDC/TFA benefits ($)	793	920	-127 ***
Ever received Food Stamp benefits (%)	70.5	75.1	-4.6 **
Food Stamp benefits ($)	477	498	-21
Income from earnings, AFDC/TFA, and Food Stamps ($)	2,673	2,573	100
Sample size	1,074	979	
Short-term recipients			
Quarters 1-6			
Average quarterly employment rate (%)	54.8	48.7	6.1 ***
Average quarterly earnings ($)	1,229	1,181	48
Average percent receiving AFDC/TFA (%)	74.6	65.2	9.4 ***
Average quarterly AFDC/TFA payments ($)	1,047	835	212 ***
Average percent receiving Food Stamps (%)	77.6	70.6	7.0 ***
Average quarterly Food Stamp payments ($)	472	402	71 ***
Average quarterly income from earnings, AFDC/TFA, and Food Stamps ($)	2,748	2,417	331 ***
Quarter 8			
Ever employed (%)	60.0	53.7	6.3 **
Earnings ($)	1,797	1,598	199 *
Ever received AFDC/TFA (%)	42.2	46.6	-4.4
AFDC/TFA benefits ($)	568	602	-34
Ever received Food Stamp benefits (%)	56.4	52.7	3.6
Food Stamp benefits ($)	328	315	13
Income from earnings, AFDC/TFA, and Food Stamps ($)	2,694	2,515	180
Sample size	633	691	

(continued)

Table C.6 (continued)

Outcome	Jobs First Group	AFDC Group	Difference
New applicants			
Quarters 1-6			
Average quarterly employment rate (%)	49.9	46.8	3.1 *
Average quarterly earnings ($)	1,306	1,315	-9
Average percent receiving AFDC/TFA (%)	62.0	53.3	8.7 ***
Average quarterly AFDC/TFA payments ($)	850	667	183 ***
Average percent receiving Food Stamps (%)	61.5	57.9	3.6 *
Average quarterly Food Stamp payments ($)	354	300	53 ***
Average quarterly income from earnings, AFDC/TFA, and Food Stamps ($)	2,510	2,282	228 ***
Quarter 8			
Ever employed (%)	56.3	52.5	3.8
Earnings ($)	1,987	1,831	155
Ever received AFDC/TFA (%)	35.3	33.4	1.9
AFDC/TFA benefits ($)	467	424	43
Ever received Food Stamp benefits (%)	42.9	40.9	1.9
Food Stamp benefits ($)	257	226	31 *
Income from earnings, AFDC/TFA, and Food Stamps ($)	2,711	2,482	229 *
Sample size	689	737	

SOURCES: MDRC calculations using Connecticut unemployment insurance (UI) earnings records, Connecticut AFDC/TFA records, and Food Stamp records.

NOTES: The sample includes members randomly assigned between January 1996 and February 1997.

Dollar averages include zero values for sample members who were not employed or were not receiving AFDC/TFA or Food Stamps. Estimates were adjusted using ordinary least squares, controlling for pre-random assignment characteristics of sample members.

Quarter 1 refers to the calendar quarter following the quarter in which the case was randomly assigned. Thus, the period designated as "quarters 1-6" includes the 18-month period starting in quarter 1. The quarter of random assignment was omitted from the summary measures because sample members may have had some earnings, AFDC/TFA payments, or Food Stamp payments in that quarter, prior to their date of random assignment.

A two-tailed t-test was applied to differences between the research groups. Statistical significance levels are indicated as ***=1 percent, **=5 percent, and *=10 percent.

"Long-term recipients" are those who had received AFDC/TFA for 22 months or more in the 24 months prior to random assignment, and "short-term recipients" are those who had received 1 to 21 months of AFDC/TFA. "New applicants" are those who had not received AFDC/TFA in the two years prior to random assignment.

Table C.7

Connecticut's Jobs First Program

Impacts on Employment, Earnings, Welfare Use, and Income, by Employment Status Prior to Random Assignment

Outcome	Jobs First Group	AFDC Group	Difference	
Employed in the year prior to random assignment				
Quarters 1-6				
Average quarterly employment rate (%)	67.2	61.9	5.2	***
Average quarterly earnings ($)	1,584	1,595	-12	
Average percent receiving AFDC/TFA (%)	74.2	63.2	10.9	***
Average quarterly AFDC/TFA payments ($)	1,043	787	256	***
Average percent receiving Food Stamps (%)	73.6	69.6	4.0	***
Average quarterly Food Stamp payments ($)	453	387	65	***
Average quarterly income from earnings, AFDC/TFA, and Food Stamps ($)	3,079	2,769	310	***
Quarter 8				
Ever employed (%)	70.3	66.0	4.4	**
Earnings ($)	2,210	2,099	111	
Ever received AFDC/TFA (%)	40.2	44.5	-4.2	**
AFDC/TFA benefits ($)	548	567	-18	
Ever received Food Stamp benefits (%)	53.9	52.9	1.0	
Food Stamp benefits ($)	326	314	12	
Income from earnings, AFDC/TFA, and Food Stamps ($)	3,088	2,982	106	
Sample size	1,203	1,304		
Not employed in the year prior to random assignment				
Quarters 1-6				
Average quarterly employment rate (%)	33.8	23.3	10.5	***
Average quarterly earnings ($)	648	464	184	***
Average percent receiving AFDC/TFA (%)	78.6	75.4	3.2	**
Average quarterly AFDC/TFA payments ($)	1,171	1,072	99	***
Average percent receiving Food Stamps (%)	80.0	78.8	1.2	
Average quarterly Food Stamp payments ($)	530	497	32	***
Average quarterly income from earnings, AFDC/TFA, and Food Stamps ($)	2,349	2,034	315	***
Quarter 8				
Ever employed (%)	42.5	31.1	11.4	***
Earnings ($)	1,109	796	313	***
Ever received AFDC/TFA (%)	50.9	58.1	-7.2	***
AFDC/TFA benefits ($)	726	813	-87	***
Ever received Food Stamp benefits (%)	63.0	65.3	-2.3	
Food Stamp benefits ($)	419	422	-3	
Income from earnings, AFDC/TFA, and Food Stamps ($)	2,254	2,025	228	***
Sample size	1,193	1,103		

(continued)

Table C.7 (continued)

SOURCES: MDRC calculations using Connecticut unemployment insurance (UI) earnings records, Connecticut AFDC/TFA records, and Food Stamp records.

NOTES: The sample includes members randomly assigned between January 1996 and February 1997.

Dollar averages include zero values for sample members who were not employed or were not receiving AFDC/TFA or Food Stamps. Estimates were adjusted using ordinary least squares, controlling for pre-random assignment characteristics of sample members.

Quarter 1 refers to the calendar quarter following the quarter in which the case was randomly assigned. Thus, the period designated as "quarters 1-6" includes the 18-month period starting in quarter 1. The quarter of random assignment was omitted from the summary measures because sample members may have had some earnings, AFDC/TFA payments, or Food Stamp payments in that quarter, prior to their date of random assignment.

A two-tailed t-test was applied to differences between the research groups. Statistical significance levels are indicated as ***=1 percent, **=5 percent, and *=10 percent.

Table C.8

Connecticut's Jobs First Program

Impacts on Employment, Earnings, Welfare Use, and Income, by Level of Earnings Prior to Random Assignment

Outcome	Jobs First Group	AFDC Group	Difference	
No earnings in the year prior to random assignment				
Quarters 1-6				
Average quarterly employment rate (%)	33.8	23.3	10.5	***
Average quarterly earnings ($)	648	464	184	***
Average percent receiving AFDC/TFA (%)	78.6	75.4	3.2	**
Average quarterly AFDC/TFA payments ($)	1,171	1,072	99	***
Average percent receiving Food Stamps (%)	80.0	78.8	1.2	
Average quarterly Food Stamp payments ($)	530	497	32	***
Average quarterly income from earnings, AFDC/TFA, and Food Stamps ($)	2,349	2,034	315	***
Quarter 8				
Ever employed (%)	42.5	31.1	11.4	***
Earnings ($)	1,109	796	313	***
Ever received AFDC/TFA (%)	50.9	58.1	-7.2	***
AFDC/TFA benefits ($)	726	813	-87	***
Ever received Food Stamp benefits (%)	63.0	65.3	-2.3	
Food Stamp benefits ($)	419	422	-3	
Income from earnings, AFDC/TFA, and Food Stamps ($)	2,254	2,025	228	***
Sample size	1,193	1,103		
Earned $1 - $5,000 in the year prior to random assignment				
Quarters 1-6				
Average quarterly employment rate (%)	61.8	55.0	6.9	***
Average quarterly earnings ($)	1,149	1,033	116	*
Average percent receiving AFDC/TFA (%)	79.7	72.6	7.1	***
Average quarterly AFDC/TFA payments ($)	1,124	920	204	***
Average percent receiving Food Stamps (%)	78.2	76.6	1.5	
Average quarterly Food Stamp payments ($)	476	428	48	***
Average quarterly income from earnings, AFDC/TFA, and Food Stamps ($)	2,749	2,381	368	***
Quarter 8				
Ever employed (%)	66.0	61.0	5.0	**
Earnings ($)	1,732	1,592	140	
Ever received AFDC/TFA (%)	43.7	53.4	-9.7	***
AFDC/TFA benefits ($)	605	688	-83	**
Ever received Food Stamp benefits (%)	58.0	60.5	-2.4	
Food Stamp benefits ($)	350	366	-15	
Income from earnings, AFDC/TFA, and Food Stamps ($)	2,691	2,647	44	
Sample size	755	790		

(continued)

Table C.8 (continued)

Outcome	Jobs First Group	AFDC Group	Difference	
Earned more than $5,000 in the year prior to random assignment				
Quarters 1-6				
Average quarterly employment rate (%)	76.0	72.8	3.2	
Average quarterly earnings ($)	2,294	2,479	-185	
Average percent receiving AFDC/TFA (%)	65.3	48.6	16.7	***
Average quarterly AFDC/TFA payments ($)	910	578	332	***
Average percent receiving Food Stamps (%)	66.1	58.8	7.3	***
Average quarterly Food Stamp payments ($)	415	323	91	***
Average quarterly income from earnings, AFDC/TFA, and Food Stamps ($)	3,619	3,381	238	**
Quarter 8				
Ever employed (%)	77.4	73.8	3.6	
Earnings ($)	2,977	2,912	64	
Ever received AFDC/TFA (%)	34.7	30.4	4.3	
AFDC/TFA benefits ($)	456	377	80	*
Ever received Food Stamp benefits (%)	46.9	41.2	5.7	*
Food Stamp benefits ($)	286	235	51	**
Income from earnings, AFDC/TFA, and Food Stamps ($)	3,722	3,527	194	
Sample size	448	514		

SOURCES: MDRC calculations using Connecticut unemployment insurance (UI) earnings records, Connecticut AFDC/TFA records, and Food Stamp records.

NOTES: The sample includes members randomly assigned bewteen January 1996 and February 1997.

Dollar averages include zero values for sample members who were not employed or were not receiving AFDC/TFA or Food Stamps. Estimates were adjusted using ordinary least squares, controlling for pre-random assignment characteristics of sample members.

Quarter 1 refers to the calendar quarter following the quarter in which the case was randomly assigned. Thus, the period designated as "quarters 1-6" includes the 18-month period starting in quarter 1. The quarter of random assignment was omitted from the summary measures because sample members may have had some earnings, AFDC/TFA payments, or Food Stamp payments in that quarter, prior to their date of random assignment.

A two-tailed t-test was applied to differences between the research groups. Statistical significance levels are indicated as ***=1 percent, **=5 percent, and *=10 percent.

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After AFDC: Welfare-to-Work Choices and Challenges for States. 1997. Dan Bloom.

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Project on Devolution and Urban Change

A multi-year study in four major urban counties — Cuyahoga County, Ohio (which includes the city of Cleveland), Los Angeles, Miami-Dade, and Philadelphia — that examines how welfare reforms are being implemented and affect poor people, their neighborhoods, and the institutions that serve them.

Big Cities and Welfare Reform: Early Implementation and Ethnographic Findings from the Project on Devolution and Urban Change. 1999. Janet Quint, Kathryn Edin, Maria Buck, Barbara Fink, Yolanda Padilla, Olis Simmons-Hewitt, Mary Valmont.

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Connecticut's Jobs First Program

An evaluation of Connecticut's statewide time-limited welfare program, which includes financial work incentives and requirements to participate in employment-related services aimed at rapid job placement. This study provides some of the earliest information on the effects of time limits in major urban areas.

Early Data on the Implementation of Connecticut's Jobs First Program. 1997. Dan Bloom, Mary Andes.

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Los Angeles's Jobs-First GAIN Program

An evaluation of Los Angeles's refocused GAIN (welfare-to-work) program, which emphasizes rapid employment. This is the first in-depth study of a full-scale "work first" program in one of the nation's largest urban areas.

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An evaluation of Ohio's Learning, Earning, and Parenting (LEAP) Program, which uses financial incentives to encourage teenage parents on welfare to stay in or return to school.

LEAP: Final Report on Ohio's Welfare Initiative to Improve School Attendance Among Teenage Parents. 1997. Johannes Bos, Veronica Fellerath.

New Chance Demonstration

A test of a comprehensive program of services that seeks to improve the economic status and general well-being of a group of highly disadvantaged young women and their children.

New Chance: Final Report on a Comprehensive Program for Young Mothers in Poverty and Their Children. 1997. Janet Quint, Johannes Bos, Denise Polit.

Parenting Behavior in a Sample of Young Mothers in Poverty: Results of the New Chance Observational Study. 1998. Martha Zaslow, Carolyn Eldred, editors.

Focusing on Fathers

Parents' Fair Share Demonstration

A demonstration for unemployed noncustodial parents (usually fathers) of children on welfare. PFS aims to improve the men's employment and earnings, reduce child poverty by increasing child support payments, and assist the fathers in playing a broader constructive role in their children's lives.

Low-Income Parents and the Parents' Fair Share Demonstration. 1996. Earl Johnson, Fred Doolittle.

Working with Low-Income Cases: Lessons for the Child Support Enforcement System from Parents' Fair Share. 1998. Fred Doolittle, Suzanne Lynn.

Building Opportunities, Enforcing Obligations: Implementation and Interim Impacts of Parents' Fair Share. 1998. Fred Doolittle, Virginia Knox, Cynthia Miller, Sharon Rowser.

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From Welfare to Work Among Lone Parents in Britain: Lessons for America. 1996. James Riccio.

Employment and Community Initiatives

Connections to Work Project

A study of local efforts to increase competition in the choice of providers of employment services for welfare recipients and other low-income populations. The project also provides assistance to cutting-edge loca initiatives aimed at helping such people access and secure jobs.

Tulsa's IndEx Program: A Business-Led Initiative for Welfare Reform and Economic Development. 1997. Maria Buck.

Washington Works: Sustaining a Vision of Welfare Reform Based on Personal Change, Work Preparation, and Employer Involvement. 1998. Susan Gooden.

Cost Analysis Step by Step: A How-to Guide for Planners and Providers of Welfare-to-Work and Other Employment and Training Programs. 1998. David Greenberg, Ute Appenzeller.

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Jobs-Plus Initiative

A multi-site effort to greatly increase employment among public housing residents.

A Research Framework for Evaluating Jobs-Plus, a Saturation and Place-Based Employment Initiative for Public Housing Residents. 1998. James Riccio.

Mobilizing Public Housing Communities for Work: Origins and Early Accomplishments of the Jobs-Plus Demonstration. 1999. James Riccio.

Building a Convincing Test of a Public Housing Employment Program Using Non-Experimental Methods: Planning for the Jobs-Plus Demonstration. 1999. Howard Bloom.

Section 3 Public Housing Study

An examination of the effectiveness of Section 3 of the 1968 Housing and Urban Development Act in affording employment opportunities for public housing residents.

Lessons from the Field on the Implementation of Section 3 (U.S. Department of Housing and Urban Development). 1996. Maxine Bailey, Suzanne Lynn.

Canada's Earnings Supplement Project

A test of an innovative financial incentive intended to expedite the reemployment of displaced workers and encourage full-year work by seasonal or part-year workers, thereby also reducing receipt of Unemployment Insurance.

Implementing the Earnings Supplement Project: A Test of a Re-employment Incentive (Social Research and Demonstration Corporation). 1997. Howard Bloom, Barbara Fink, Susanna Lui-Gurr, Wendy Bancroft, Doug Tattrie.

Testing a Re-employment Incentive for Displaced Workers: The Earnings Supplement Project. 1999. Howard Bloom, Saul Schwartz, Susanna Lui-Gurr, Suk-Won Lee.

Education Reform

Career Academies

The largest and most comprehensive evaluation of a school-to-work initiative, this 10-site study examines a promising approach to high school restructuring and the school-to-work transition.

Career Academies: Early Implementation Lessons from a 10-Site Evaluation. 1996. James Kemple, JoAnn Leah Rock.

Career Academies: Communities of Support for Students and Teachers — Emerging Findings from a 10-Site Evaluation. 1997. James Kemple.

Career Academies: Building Career Awareness and Work-Based Learning Activities Through Employer Partnerships. 1999. James Kemple, Susan Poglinco, Jason Snipes.

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School-to-Work Project

A study of innovative programs that help students make the transition from school to work or careers.

Home-Grown Lessons: Innovative Programs Linking School and Work (Jossey-Bass Publishers). 1995. Edward Pauly, Hilary Kopp, Joshua Haimson.

Home-Grown Progress: The Evolution of Innovative School-to-Work Programs. 1997. Rachel Pedraza, Edward Pauly, Hilary Kopp.

Project Transition

A demonstration program that tested a combination of school-based strategies to facilitate students' transition from middle school to high school.

Project Transition: Testing an Intervention to Help High School Freshmen Succeed. 1999. Janet Quint, Cynthia Miller, Jennifer Pastor, Rachel Cytron.

Equity 2000

Equity 2000 is a nationwide initiative sponsored by the College Board to improve low-income students' access to college. The MDRC paper examines the implementation of Equity 2000 in Milwaukee Public Schools.

Getting to the Right Algebra: The Equity 2000 Initiative in Milwaukee Public Schools. 1999. Sandra Ham, Erica Walker.

MDRC Working Papers on Research Methodology

A new series of papers that explore alternative methods of examining the implementation and impacts of programs and policies.

Building a Convincing Test of a Public Housing Employment Program Using Non-Experimental Methods: Planning for the Jobs-Plus Demonstration. 1999. Howard Bloom.

Estimating Program Impacts on Student Achievement Using "Short" Interrupted Time Series. 1999. Howard Bloom.

Using Cluster Random Assignment to Measure Program Impacts: Statistical Implications for the Evaluation of Education Programs. 1999. Howard Bloom, Johannes Bos, Suk-Won Lee.

About MDRC

The Manpower Demonstration Research Corporation (MDRC) is a nonprofit, nonpartisan social policy research organization. We are dedicated to learning what works to improve the well-being of low-income people. Through our research and the active communication of our findings, we seek to enhance the effectiveness of social policies and programs. MDRC was founded in 1974 and is located in New York City and San Francisco.

MDRC's current projects focus on welfare and economic security, education, and employment and community initiatives. Complementing our evaluations of a wide range of welfare reforms are new studies of supports for the working poor and emerging analyses of how programs affect children's development and their families' well-being. In the field of education, we are testing reforms aimed at improving the performance of public schools, especially in urban areas. Finally, our community projects are using innovative approaches to increase employment in low-income neighborhoods.

Our projects are a mix of demonstrations — field tests of promising program models — and evaluations of government and community initiatives, and we employ a wide range of methods such as large-scale studies to determine a program's effects, surveys, case studies, and ethnographies of individuals and families. We share the findings and lessons from our work — including best practices for program operators — with a broad audience within the policy and practitioner community, as well as the general public and the media.

Over the past quarter century, MDRC has worked in almost every state, all of the nation's largest cities, and Canada. We conduct our projects in partnership with state and local governments, the federal government, public school systems, community organizations, and numerous private philanthropies.

MDRC

16 East 34 Street
New York, New York 10016
(212) 532-3200

www.mdrc.org

88 Kearny Street, Suite 1800
San Francisco, California 94108
(415) 781-3800

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